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TODAY: SPORTS Close Grand Prix Finish, Page 18

G-7 Officials Say Dollar Has Risen Far Enough

They Agree on Need To Coordinate Policy On Currency Stability

Compiled by Our Staff From Dispatches

WASHINGTON — Finance ministers and central bankers from the Group of Seven industrialized countries suggested Sunday that the dollar's rise had gone far enough, and that they were willing to cooperate to keep world foreign-exchange rates stable.

Japan's finance minister, Hiroshi Mitsuzuka, and the U.S. Treasury secretary, Robert Rubin, agreed to cooperate "appropriately and closely" on foreign-exchange issues, a Japanese Finance Ministry official said.

Mr. Mitsuzuka reached a similar agreement with his German counterpart, Theo Waigel.

"Germany and Japan agreed on the importance of stable currencies," Mr. Mitsuzuka said after a bilateral meeting, which came before a meeting Sunday of the officials from Canada, France, Germany, Italy, Japan, Britain and the United States.

As for the dollar, Hans Tietmeyer, the president of the Bundesbank, said: "We have said that the misalignments of the past have been corrected. Now it must not come to an overshoot on the other side."

G-7 finance ministers and central bankers agreed in February that the dollar's exchange rate had "corrected" from a plunge in 1995 that took it to a post-World War II low against the yen and Deutsche mark. At that time, the dollar rebounded about 50 percent against the yen, to around 123 yen, and 25 percent against the mark, to 1.65.

But the rhetoric then was not followed up with any intervention in foreign-exchange markets, and the dollar has risen since 2 percent against the yen and 4 percent against the mark.

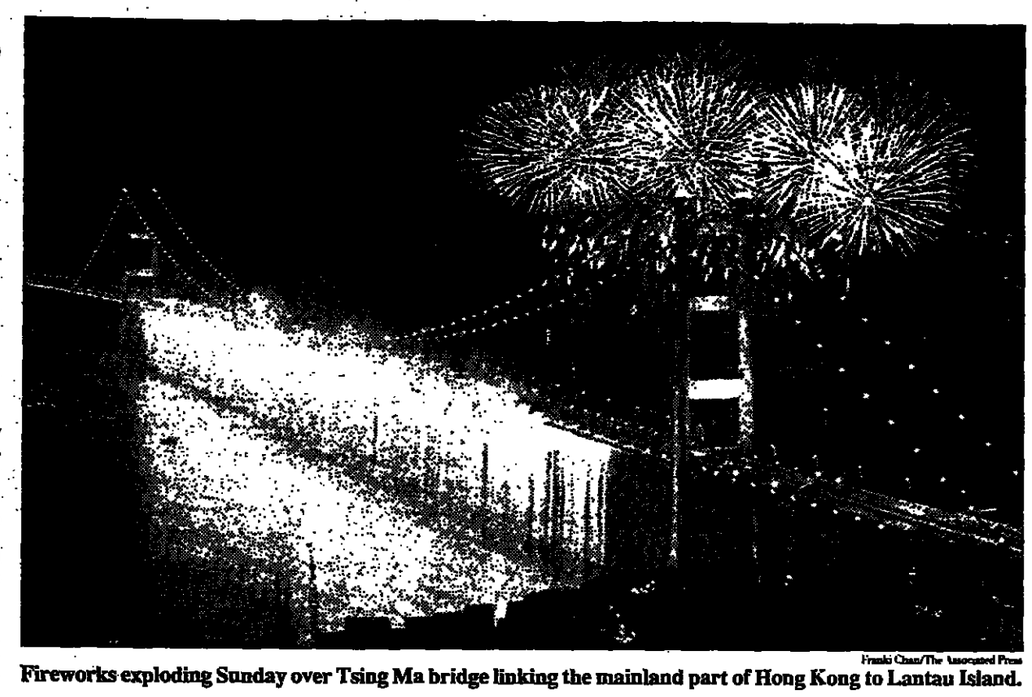
The G-7 officials were expected to take a much stemer stance after meeting Sunday. Mr. Tietmeyer said before the meeting that he was "optimistic" that Germany, the United States and Japan would agree on exchange rates.

But economists said intervention in foreign-exchange markets, if that is the course the G-7 chooses to pursue, probably would not accomplish much, given fundamental economic conditions worldwide. U.S. economic growth is robust and interest rates are rising, attracting investors to the dollar. On the other hand, Europe and Japan's economies are still mired in stagnation.

"There's not a lot you can do about that. That's the real world," said David Wyss, an economist at DRI-McGraw Hill in Lexington, Massachusetts.

From Japan's point of view, the rising dollar and sliding yen threaten to undermine global confidence in its shaky financial markets. From the U.S. perspective, a strengthening dollar can widen the trade deficit by making American goods more expensive on overseas markets. But a strong dollar helps to hold down U.S. inflation by reducing the cost of imports. Already, U.S. auto-

See G-7, Page 9



Franki Chan/The Associated Press

Fireworks exploding Sunday over Tsing Ma bridge linking the mainland part of Hong Kong to Lantau Island.

Hong Kong Fetes Its New Gateway

Compiled by Our Staff From Dispatches

HONG KONG — Hong Kong celebrated the opening Sunday of a spectacular new suspension bridge, barely a week after a suspected sabotage attempt.

Tens of thousands of people flocked to take part in the last big British bash before a final major round of celebrations gets under way to mark the handover of the colony to China on July 1.

Fireworks and lasers lit up the night sky in a grand finale to a ceremony that began as the sun slipped behind the hills of Kowloon Peninsula. As the shadows lengthened, former Prime Minister Margaret Thatcher of Britain, who signed the 1984 treaty governing the handover of Hong Kong to China, declared open what she called "an impressive and inspiring entrance to this modern city."

The 2.2-kilometer-long (1.36-mile-long) Tsing Ma bridge links the Hong Kong part of the mainland to Lantau Island and the islet of Chek Lap Kok, where a $21 billion airport is to open next year. Its main span is 1,377 meters (4,475 feet) long. There was one noticeable absentee from the ranks of Hong Kong society — Tung Chee-hwa, Hong Kong's future leader. Mr. Tung, who will take over from Governor Chris Patten when the British depart at midnight June 30, spent the day in China discussing ways of stemming a tide of illegal child immigrants streaming into the territory.

Large crowds jammed areas near the lit-up bridge to watch fireworks flash in

See BRIDGE, Page 9

Turkish Government Struggles to Survive

But Concessions Might Not Work

By Stephen Kinzer
New York Times Service

ISTANBUL — The government of Prime Minister Necmettin Erbakan, modern Turkey's first leader from an Islamic party, struggled Sunday to resist intense pressure from military commanders and secularist politicians but was unable to stem predictions that it would fall soon.

At a meeting of the powerful National Security Council on Saturday, Mr. Erbakan reportedly agreed to support a change in the educational system aimed at reducing the impact of religious teachings. He had been resisting the change, which would increase the number of years pupils must spend in public school before they may attend Islamic academies.

But one influential member of Parliament from Mr. Erbakan's party, Salih Kapusuz, said he hoped the party would "do all it can to oppose such a proposal." His statement suggested that it would be difficult for Mr. Erbakan to retreat from his Islamist policies.

Two members of Mr. Erbakan's cabinet resigned over the weekend, and Turkish newspapers reported that others might soon do so. Several influential commentators have predicted that the 10-month-old government will not survive more than a few weeks.

The two ministers who announced their resignations Saturday, Health Minister of Yildirim Aktuna and Trade Minister of Yalim Erez, said they were angered by Mr. Erbakan's reluctance to reverse some of his Islamist policies as he had agreed to do in February under pressure from the military. Both men are members of the coalition government's secular partner, the True Path Party.

Mr. Erbakan's coalition has looked increasingly shaky in recent weeks. Leaders of other parties have met and agreed on a list of political and business figures who could serve as ministers in a new, non-Islamist government.

Military commanders, who view themselves as guardians of the country's secular principles, have been increasingly vocal in their criticism of Mr. Erbakan's Islamist policies.

The criticism reached a new level after Mr. Erbakan returned last week from a pilgrimage to Mecca. One commander, General Osman Ozbek, went so far as to describe him as "a pimp" for

See TURKEY, Page 9

Presidents Join Forces In Plea for Volunteers

Compiled by Our Staff From Dispatches

PHILADELPHIA — President Bill Clinton, flanked by two former presidents, called Sunday on Americans to volunteer for community service and then set an example by painting over graffiti in a gritty Philadelphia neighborhood.

Shoulder to shoulder with George Bush and Jimmy Carter at the start of the three-day Presidents' Summit for America's Future on Volunteerism, Mr. Clinton told several thousand people at

Volunteers do limited good. Page 3.

a battered sports stadium that it was their duty to serve their communities.

"I want to redefine the meaning of citizenship in America," the president, dressed in a short-sleeved shirt and khaki work pants, told the volunteers.

"To be a good citizen you have to obey the law, you've got to go to work or be in school, you've got to pay your taxes and — oh yes — you've got to serve in your community to help make it a better place," he said.

"This country has produced a lot of jobs in the last four years. But we're still losing too many kids to crime, to drugs, to not having a decent income."

The nonpartisan conference, whose co-chairman is the retired general Colin Powell, brings together representatives from Washington, corporate America, religious organizations and community service groups to promote volunteering.

After the rally, Mr. Clinton and Vice President Al Gore, with their wives, helped paint over graffiti on the exterior of a building housing a community swimming pool near the stadium.

Recovering from a torn tendon in his

See CLINTON, Page 9

'We're Catching the Refugees and Killing Them'

By Nicholas D. Kristof
New York Times Service

BAFWASENDE, Zaire — As he strode confidently down the red clay road that parted the jungle, the young rebel soldier was perfectly candid about his mission.

"We're capturing the Rwandan refugees," he said placidly. "We're catching them and killing them."

Asked to repeat that, he elaborated without embarrassment.

"Every day we kill them," he said with a shrug. "They fled, so they must be bad people. So we catch them and take them back to our commander, and then we kill them."

The commander was less talkative. He declined to answer questions and instead interrogated a reporter and photographer before eventually allowing them to proceed — with a ban on photographs — on a five-day journey through this region of northeastern Zaire.

Villagers said that no foreigners had been in the area for many months, for the one-lane dirt road that knifes through the jungle is on the front line of three intertwined wars.

The first war that one drives through after heading east from Kisangani, the dilapidated port on the Zaire River in the center of the country, is the fight of which the young rebel spoke: The efforts by the rebels to track down and kill hard-line Rwandan Hutu who are on the run from their own government and from the Alliance of Democratic forces for the Liberation of the Congo, the rebel group that controls a growing share of Zaire.

These Rwandans are not the 80,000 or so on the outskirts of Kisangani who wanted to go home but who in recent days were driven from their camps by attacks.



Adil Bradlow/The Associated Press

Rwandan Hutu refugees being transported across the Zaire River.

Although most of the Rwandan refugees in Zaire are women and children, many of the men are former soldiers or militia members who took part in massacres of members of the Tutsi ethnic group in Rwanda nearly three years ago; some had also been armed by Zaire's crumbling government to fight against the alliance rebels. The rebels see them as guerrillas who are still combatants in Zaire's civil war.

Some of these hard-line refugees headed west, to the diminishing area that remains under the control of the government. But according to villagers and rebel fighters, thousands of these Rwandans are also trying to make their way east through the dense jungle of this region, so that they can return to Rwanda.

The rebels have set up a series of checkpoints east of Kisangani to try to catch any of these Rwandans, and it was at one of these checkpoints that the rebel fighter made his comments. The rebels are young, some in their early teens, but they casually lug around their submachine guns, hand grenades and missile-launchers as if they were toys.

As darkness settles on the jungle, fears grow about ambushes along the narrow road, and rebel sentries grow jumpy at their checkpoints, nervously fingering the triggers of their guns and easing their edginess by drinking, which adds to the apprehension of everyone else.

People scurry to the safety of the towns, and a tense quiet endures until dawn.

Trucks of these rebels occasionally roared down the road, and at least one contained trussed-up men who apparently were Rwandans. But for all the talk of killings, a reporter saw no bod-

See REFUGEES, Page 9

From North Korea, Tales of Desperation

Chinese Traders Tell of Cannibalism as Famine Grips the Countryside

By Seth Faison
New York Times Service

LEE ISLAND, North Korea — Under a bright afternoon sun, a dozen women in red kerchiefs and ragged trousers scoured a field of withered cornstalks for the few yellowing husks that remained edible, a sign of the frightful desperation now gripping North Korea.

As famine spreads, a misery of almost unspeakable dimensions is becoming evident from the horror stories now seeping out — of starving babies reduced to skin and bone, of women selling their daughters, of families resorting to cannibalism to survive.

Farmlands, ravaged by the flood last year, are parched and yield almost nothing. In the calamity, rural North Koreans have grown accustomed to eating grass and bark. But now even those are falling into short supply, as the socialist paradise their leaders always described seems to be grinding to a halt.

North Korea, still one of the most secretive nations in the world, bars all but a small number of traders and official visitors, and their itineraries are tightly controlled, making it hard to gauge the full dimension of the economic and political disaster.

Yet the urgency of the situation is evident along the long border with China, both from the stories that Chinese traders bring back, and from the signs visible on Lee Island, just inside the border.

Even the frontier guards, once stern symbols of the North's unbending self-control, are now begging for cigarettes, liquor and food, in that order. "Have any cigarettes?" asked the head of the five-man border guard on Lee Island, a finger of land in the Yalu River dividing North Korea from China.

The officer, who gave his name as Park, allowed a pair of visitors onto the island because they accompanied a Chinese trader who had given him a pack of Chinese cigarettes the day before, worth 12 cents.

Mr. Park shook his head when asked about farming conditions and about smuggling, which Chinese residents near the border say is growing, as desperate officials sell anything they can, and guards like Mr. Park look the other way.

"They're selling government cars

See FAMINE, Page 9

AGENDA

Prodi Foes Are Poised to Gain

ROME (Reuters) — Candidates backed by Italy's center-right opposition Freedom Alliance led in mayoral races in Milan and Turin after the first round of local elections on Sunday, television exit polls showed. In Milan, the key contest in more than 1,100 towns and cities, the outgoing mayor, Marco Formentini of the Northern League, was knocked out of the second round run-off, the polls said.

Earlier article, Page 9

Canada calls elections 17 months early. Page 3. • Tony Blair keeps his guard up. Page 5. • Chirac courts opponents of social cuts. Page 5. • Seething frustrations in Papua New Guinea. Page 4.

Books ..... Page 7. Crossword ..... Page 3.

Sponsored Section *Pages I-VI.*

BUILT FOR BUSINESS: SINGAPORE

International Classified *Page 8.*

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Eric Mari/The Associated Press

NEW CLOUT? — A woman waiting to vote Sunday in parliamentary elections in Yemen. Page 4.

Newsstand Prices

Andorra	10.00 FF	Morocco	16 Dh
Antilles	12.50 FF	Qatar	10.00 Riels
Cameroon	1,600 CFA	Réunion	12.50 FF
Egypt	£E 5.50	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1,100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	LL 3,000		

Police Brutality Video Shows Brazil 'It Can Happen to Anybody'

By Gabriel Escobar
Washington Post Service

SAO PAULO — Back when Brazil was a colony, the Portuguese authorities "cleansed" neighborhoods by rounding up suspects and shipping them off to Africa without trial. As late as the 1930s, undesirables were extradited to the inhospitable Amazon and not heard from again.

Even today, Brazilian governors have their military police. Amid such crime as a prison riot, a land occupation and drug dealing over the last few years, these armies have been told to restore order, and the result has been dead troublemakers.

This history is an important backdrop to what emerged when a hidden camera slowly panned the intersection of two grimy and now infamous streets in a very poor pocket of this megalopolis. Ostensibly going after troublemakers, the police officers videotaped over three consecutive nights in March by a free-lance cameraman were clearly waging a systematic war on civilians.

Some Brazilians see the 90-minute videotape, parts of which were broadcast on national television three weeks ago, as an indictment of a society that tends to believe criminals should be subjected to rough justice, preferably on the spot.

What has proved most frightening to many Brazilians is that the targets of this particular abuse were not miscreants. They were law-abiding citizens who unwittingly entered a world where people are presumed guilty, beaten and even shot dead for no apparent reason.

"The moment this was shown on television, this crude deed, it changed people," said Luiz Antonio Guimareas Marrey, the attorney general for the state of Sao Paulo. "It was no longer a piece of paper, an article in a newspaper. There were real victims. It showed that if it can happen to them, it can happen to anybody."

The videotape — more violent than the Rodney King episode in Los Angeles and expanded to a full-length film — in effect put every Brazilian at the intersection of Naval and Jose Francisco Braz, streets that cut through a small shantytown in southern greater Sao Paulo. The 15 people whom

See BRAZIL, Page 9

'Human Endurance' / **Whispers and a Secret Transmitter**

How Lima Hostages Fought Back

By Gabriel Escobar and Molly Moore
Washington Post Service

LIMA — Whispers and winks. Samuel Matsuda looked forward to both. In the reduced universe of the second floor of the Japanese ambassador's residence — in the cramped bedrooms, along the narrow corridor that doubled as an indoor track, near the stairs beyond which the 72 hostages seldom strayed — these were small signs of salvation.

Since mid-March, three months into the hostage-taking that paralyzed Peru, a knot of captives had been partners in a conspiracy that linked their lives to the outside world. A select few that included Mr. Matsuda — a Peruvian congressman and senior member of President Alberto Fujimori's governing party — knew that a small transmitter smuggled into the second floor had given them contact with the government and a role in their liberation.

Flying high above the residence, Peruvian sources say, was an RU-38A Twin Condor surveillance airplane that provided Peruvian intelligence services with eyes into the building. Beneath the grounds of the once-elegant compound, according to Mr. Fujimori, miners toiling since January dug closer and closer, constructing a network of reinforced tunnels.

But it was the rudimentary intelligence provided by these hostages, describing the routine of their 14 captors and, most importantly, their midafternoon soccer game, that in the end delivered them from captivity.

The drama of Tuesday's rescue, in which all but one of the hostages survived and all 14 hostage-takers of the Tupac Amaru Revolutionary Movement were killed along with three Peruvian commandos — two in the attack and one who died Saturday — was the final chapter of an extraordinary tale.

The 126-day crisis was first and foremost "a story of human endurance," in the words of Anthony Vincent, Canada's ambassador to Peru, who was at first a hostage and later a key intermediary.

The international crisis initially involved dozens of countries — more than 500 people were taken in the opening assault Dec. 17, many of them diplomats. Many were released by the end of December, and a few more during January. For those who remained, what emerges from interviews with former hostages is a nightmare that spanned 3,019 hours.

Mr. Matsuda entered the grounds of the residence at 7:55 P.M. on that Tuesday. The annual reception, in honor of Emperor Akihito's birthday, was an elaborate affair.

"It was about 8:20 P.M., 8:25 P.M., and there was a loud explosion behind us," Mr. Matsuda recalled. "I told them, 'It's a car bomb! It's a car bomb!' "

Within seconds, machine guns were going off. Guests rushed into the building, assuming it would provide cover. Mr. Matsuda saw his first guerrilla, a young woman who looked about 16.

He was ordered upstairs, where a short, heavyset man with a mustache was sitting. Three days later the hostages would learn this was Nestor Cerpa Cartolini, 43, the leader of the rebels. He looked at Mr. Matsuda, pointed down the hallway and said, "That room." It was already crowded with other congressmen inside.

As hostages were released and the residence became roomier, the routine was established. The bedrooms became known as pavilions. A rebel slept in each room with the hostages at night, but during the day the hostages were allowed to move about the second floor. The rebels had a command post on that floor but did not always keep someone in each room.

THE rebels became more than faces behind a mask. There was Tito, who was responsible for the military operation and always carried a notebook in which the schedule for guard duty, posts and other details were kept. Cerpa, Tito and two others named Rojas and Salvador were the senior members of the group.

Of the 10 rebel "troops," all under 21, one was known for being mentally "slow." His name was never learned and the hostages took to calling him Twenty-Two for the number on his bandanna. Once, to their horror, he described how he liked to kill police officers and decapitate them.

The rebels had precise tasks. Several were assigned to go to the hostages in the event of an attack. Cerpa also talked to the hostages at length.

"He had a visceral hatred of the government and of Peru's president in particular," Mr. Matsuda said. "He said what he always said: 'The fundamental objective of the takeover is the liberation of all the prisoners, and we will not give up until we achieve this.' "

Even though the others were treated well, the psychological torture made it difficult to get rest. Nearly every day, several rebels would burst into a room in the middle of the night and point machine guns in their direction.

One day in early March, Cerpa led two mediators in the crisis — Mr. Vincent, the Canadian ambassador, and Bishop Juan Luis Cipriani — to a room on the first floor where furniture was piled up. The rebels had removed the rug, revealing the floor's concrete slabs. One of the hostages put his ear to the floor, and the sounds of digging were audible.

"Listen!" Cerpa commanded.

"We could hear the noise under the floor — the chink, chink. They were building the tunnels," Mr. Vincent said. "And they knew."

Cerpa immediately broke off the stagnated negotiations with the government. But, inexplicably, he took no new precautions against attack.

Instead, in a baffling move, the hostage-takers chose to move the only hostages in the downstairs area — all Japanese diplomats and businessmen — to the second floor of the residence, rather than leaving them on the first floor, where they would have been a greater deterrent against an assault. This proved crucial, leaving only rebels on the ground floor when the rescuers blasted their way through the floor from a tunnel.

The captivity was particularly difficult for the military and police officials among the hostages. They were kept in one room and said they felt humiliated by the circumstances. The rebels frequently made verbal jabs at them. The Peruvian officers would respond by bellowing the national anthem or marching songs. For others, the psychological toll mounted. Memory loss set in — one hostage could not remember the name of his longtime neighbor.

And the rebels were getting sloppy. "Over four months you could see the discipline ebbing away," Mr. Vincent said. "They were playing soccer and volleyball. When I would sit with them in the negotiating sessions, their weapons would be lying there within my reach."

The big break in the rescue planning occurred 30 or 40 days ago, when communication was established between the hostages and Peru's intelligence service. Details of how it was set up are still unclear, but what is known is that hostages were able to transmit from the residence. Some of the transmission devices were smuggled in, apparently planted in items brought in by relief workers.

SOME hostages began collecting information on the rebels, tracking where they were at what times and then whispering it into the ear of a hostage Mr. Matsuda called the Communicator, a fellow captive whose identity has not been made public.

The link to the outside was now daily. Only a handful of people were privy to it, and those who were occasionally would be rewarded with a conspiratorial wink.

At the same time, the mood inside the residence had become more ominous. "After four months, people were losing all sense of hope," Mr. Vincent said. Even the rebels had become "sick and tired of the whole thing."

Tuesday, the day of the rescue, began like any other. By then the hostages had learned to fill their hours. Mr. Matsuda got up about 6:30 A.M. and walked the corridor for 30 minutes. There were the joggers, mainly police and military men. At 8 A.M. the rebels performed the equivalent of yard exercises. At about 9 A.M. the radios were turned on. Hostages moved from room to room as others, designated as cleaning crews, worked. People read, worked on jigsaw puzzles and played chess or mahjongg until about noon. There were classes taught by hostages or Red Cross workers: French on Mondays and Tuesdays, Spanish every day. The Red Cross brought in lunch at 1 P.M. Siesta was until 3 P.M. The Japanese exercised in the afternoon.

It was after the siesta that this Tuesday ceased being routine. Mr. Matsuda was in the bathroom. The Communicator whispered, "Stay calm. Stay calm. They are coming to get us in a few minutes. When it starts, throw yourself on the ground."

And then it happened. Mr. Matsuda recalled: "When the explosion went off, we threw ourselves on the ground."

One commando jumped on top of him. "Friend?" he asked.

"Yes. Friend."

All stayed on the ground until commandos told them to crawl out onto the terrace. Smoke billowed from the roof. Guns were going off. Mr. Matsuda followed the others down a ladder. He stood in the garden, free.



Silvia Izquierdo/Reuters

A transmitter smuggled into the residence gave the hostages a role in their own rescue. Above, Foreign Minister Francisco Tudela of Peru being guided to safety.

Peng Zhen, Communist Elder, Dies

The Associated Press

BEIJING — Peng Zhen, 95, a victim of Mao Zedong's radical purges who returned to power and helped to create legal checks on arbitrary uses of power, died Saturday of an undisclosed illness.

Mr. Peng's longevity and political influence made him one of China's "Eight Immortals," a phrase describing the elderly veterans of the Communist revolution who set policy from behind the scenes through the 1980s.

Frail and confined to a wheelchair in recent years, the former mayor and party chief of Beijing made his most recent appearance in September.

In 1966, Mr. Peng used his position in the capital to try to block criticism of a play that Mao interpreted as an attack on him. Mr. Peng thus became an early victim of the Cultural Revolution.

He spent 12 years in rural exile, the only period from 1945 to 1987 that he was not on the Communist Party's Central Committee.

After his rehabilitation in 1979, he worked to build a body of law to prevent the re-emergence of arbitrary rule. In 1982, he helped draft a new constitution that expanded the role of the National People's Congress.

As chairman of the congress in the 1980s, Mr. Peng was suspected of using the body to set up his own power base in rivalry to Deng Xiaoping. He sometimes opposed Mr. Deng, especially when the reforms seemed to let in influences from the West.

Mr. Deng forced Mr. Peng's retirement from party and government posts in 1987-88, at the same time Mr. Deng gave up most of his posts.

Eugene Stoner, 74, Developed U.S. Forces' M-16 Assault Rifle

NEW YORK (NYT) — Eugene Stoner, 74, who developed the M-16 American assault rifle while tinkering at night in his garage, died Thursday of cancer in Palm City, Florida. While he had no formal engineering education, Mr. Stoner was widely regarded as a foremost designer of small arms. His M-16 has been standard issue for the U.S. armed forces since 1963.

He held some 100 patents and was a co-founder of Ares Inc., a weapons research and development company. He was the company's chairman until he sold his interest 10 years ago. He continued working on small-arms design and development at the Knight Manufacturing Co., completing a longer-range, .50-caliber semiautomatic rifle within the last few months.

Pat Paulsen, 69, Comedian And Perennial Candidate

NEW YORK (NYT) — Pat Paulsen, 69, the mournful-looking comedian who ran five tongue-in-cheek races for the presidency, died Friday in Tijuana, Mexico, where he was being treated for cancer. He died of complications from pneumonia and kidney failure.

Mr. Paulsen became a household name in 1968 when he announced on "The Smothers Brothers Comedy Hour" that he was running for president under the Straight Talking American Government Party, or STAG. The joke took on a life of its own, as he campaigned in one election after another, using slogans like "We Cannot Stand Pat," "We Can Be Decisive, Probably" and "United We Sit."

Nancy Claster, 82, who entertained and educated a generation of children as Miss Nancy, the prototypical teacher on television's "Romper Room," died Friday at her home in Baltimore.

Rose Bigman, 87, Walter Winchell's formidable "girl Friday" who worked seven days a week shielding the columnist from his enemies, fending off his friends and serving him with slavish devotion for more than three decades, died Wednesday in New York.

Bernard Vonnegut, 82, a physicist and one of the researchers who figured out how to induce rain by cloud seeding, died Friday of cancer in Albany, New York. Mr. Vonnegut was a distinguished professor emeritus of atmospheric sciences at the State University of New York at Albany. He was a brother of Kurt Vonnegut Jr., the novelist.

Brian May, 63, former musical director of the Australian Broadcasting Corp., died of a heart attack Friday in Melbourne. Mr. May was a prolific composer of scores for films, including "Mad Max" and "Gallipoli."

TRAVEL UPDATE

Pilots Strike in France

PARIS (AFP) — A three-day-old strike by pilots at the French domestic carrier Air France Europe cut flights by half Sunday and was to continue Monday, management and unions said.

The airline said it could guarantee 60 percent of flights, but unions said the subsidiary of Air France would be forced to cancel more than half of flights after pilots voted Saturday to renew the strike for 48 hours.

The routes most affected by the strike were flights from the Paris airport Orly to Nice, Marseille and Toulouse. But the airline said flights from the other Paris airport, Charles de Gaulle, and those between other French cities, would not be affected.

Pilots are to vote again Monday on whether to extend anew the strike. They are protesting conditions dictated in Air France's takeover of the airline, which was called Air Inter.

BA Shuts Paris Counter

PARIS (AFP) — British Airways, citing security concerns, closed its check-in counters at Charles de Gaulle Airport on Sunday for the period in which Air Algerie handles flights there, a spokesman said.

BA, which said Air Algerie was "at risk" of being a terrorist target, said it was particularly concerned that the two airlines share a baggage conveyor belt. Air Algerie resumed service to Paris on Friday after a two-year suspension.

This Week's Holidays

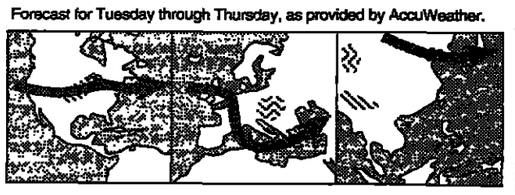
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Albania, Belarus, Bulgaria, Cyprus, Egypt, Greece, Israel, Lebanon, Moldova, Romania, Serbia, Sierra Leone, South Africa, Ukraine.
TUESDAY: Japan.
WEDNESDAY: Netherlands.
THURSDAY: *All countries except:* Armenia, Australia, Azerbaijan, Bahamas, Bahrain, Bermuda, Bhutan, Britain, Brunei, Canada, Denmark, Georgia, Guam, Hong Kong, Indonesia, Iran, Ireland, Israel, Jamaica, Japan, Kuwait, Liberia, Libya, Lithuania, Mongolia, Nepal, Netherlands, New Zealand, Oman, Puerto Rico, Qatar, Romania, Saudi Arabia, Sierra Leone, South Korea, Sudan, Syria, Taiwan, Tajikistan, Turkey, Turkmenistan, United Arab Emirates, United States.
FRIDAY: Bhutan, Russia, Serbia, Slovenia, Spain, Ukraine.
SATURDAY: Japan, Poland.

Sources: J.P. Morgan, Reuters, Bloomberg.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America — A departing storm will dump rain on New England Tuesday, but Wednesday and Thursday will be milder with some sunshine across the Northeast. Very warm and humid in the Southeast with scattered thunderstorms, but clouds and rain will move from the central Plains to the Midwest.

Europe — Plenty of sunshine in London and Paris Tuesday through Thursday; each day will be a little warmer. Partly sunny and seasonable in Berlin Tuesday, then sunny and turning warmer. Cool in central and eastern Europe with some showers, but steadier rain will be likely in Greece and Turkey.

Asia — Cool in Beijing with the chance for a shower Wednesday, then sunny and mild Thursday. Tokyo and most of Japan will be pleasant with lots of sun Tuesday and Wednesday, then cooler Thursday with showers possible. Partly sunny, warm and humid in Hong Kong with showers possible.

Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	27/80	18/64 s	28/82	19/66 s
Amsterdam	15/59	11/52 r	13/55	9/48 r
Ankara	11/52	-1/31 c	13/55	4/39 sh
Athens	17/62	11/52 pc	13/55	10/50 r
Barcelona	22/71	13/55 c	20/68	11/52 s
Belgrade	17/62	10/50 r	21/70	9/48 sh
Berlin	19/66	11/52 r	17/62	10/50 r
Brussels	16/61	9/48 r	13/55	8/46 r
Budapest	19/66	10/50 c	18/64	11/52 r
Copenhagen	15/59	9/48 c	13/55	6/43 sh
Costa Del Sol	27/80	17/62 pc	29/84	18/64 s
Dublin	13/55	9/48 r	16/61	11/52 pc
Edinburgh	14/57	10/50 r	17/62	9/48 c
Florence	19/66	11/52 c	23/73	11/52 pc
Frankfurt	17/62	9/48 r	17/62	9/48 r
Geneva	15/59	3/48 r	10/50	7/44 r
Helsinki	9/48	-1/31 pc	10/50	1/34 c
Istanbul	13/55	7/44 pc	16/61	8/46 sh
Kiev	14/57	3/37 s	18/61	5/41 pc
Las Palmas	25/77	20/68 pc	27/80	21/70 s
Lisbon	24/75	17/62 pc	26/79	18/64 s
London	17/62	11/52 c	16/61	11/52 r
Madrid	24/75	11/52 pc	26/79	11/52 pc
Mallorca	21/70	14/57 c	19/66	12/53 s
Milan	22/71	12/53 pc	21/70	9/48 c
Moscow	11/52	3/37 pc	14/57	8/43 pc
Munich	15/59	8/46 r	13/55	5/41 sh
Nice	21/70	15/59 pc	19/66	11/52 pc
Oslo	11/52	6/43 c	10/50	5/41 r
Paris	17/62	8/46 sh	12/53	8/46 r
Prague	18/61	8/46 sh	16/61	8/46 sh
Reykjavik	10/50	7/44 r	9/48	4/39 pc
Riga	13/55	10/50 pc	17/62	9/48 r
Rome	16/61	9/48 pc	20/68	10/50 c
St. Petersburg	9/48	4/39 pc	10/50	3/37 c
Stockholm	9/48	1/34 pc	8/46	1/34 c
Strasbourg	17/62	8/46 sh	13/55	8/46 r
Tallinn	8/46	0/32 pc	9/48	2/35 c
Tbilisi	22/71	9/48 sh	17/62	8/43 r
Venice	17/62	12/53 r	18/64	11/52 r
Vienna	18/61	12/53 r	17/62	10/50 r
Warsaw	19/66	8/46 pc	21/70	8/46 s
Zurich	15/59	9/48 sh	11/52	7/44 r

Middle East

Abu Dhabi	31/88	18/64 s	33/91	19/66 s
Beirut	15/59	8/46 pc	18/61	12/53 pc
Cairo	23/73	10/50 s	28/79	14/57 pc
Damascus	16/61	3/37 pc	21/70	8/46 s
Jerusalem	14/57	4/39 pc	18/64	8/46 s
Luxor	31/88	11/52 s	33/91	16/61 s
Riyadh	38/100	19/66 s	35/95	17/62 s

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Almaty	32/89	14/57 s	28/82	17/62 sh
Bali	32/89	23/73 sh	32/89	23/73 sh
Bangkok	32/89	24/75 pc	32/89	24/75 pc
Beijing	29/82	11/52 s	24/75	12/53 s
Bombay	34/93	24/75 pc	33/91	24/75 pc
Calcutta	31/88	22/71 r	33/91	23/73 pc
Chiang Mai	33/91	22/71 pc	32/89	23/73 pc
Colombo	29/84	23/73 pc	29/84	23/73 pc
Hanoi	27/80	21/70 sh	27/80	22/71 r
Ho Chi Minh	34/93	25/77 pc	33/91	24/75 sh
Hong Kong	24/75	20/68 r	25/77	21/70 c
Islamabad	32/89	17/62 r	34/93	18/64 pc
Jakarta	30/86	24/75 r	29/84	24/75 sh
Karachi	31/88	19/66 s	31/88	20/68 s
K. Lumpur	32/89	23/73 sh	32/89	23/73 r
K. Kinabalu	29/84	22/71 r	31/88	22/71 r
Manila	33/91	21/70 pc	32/89	21/70 pc
New Delhi	37/98	22/71 pc	36/97	22/71 pc
Phnom Penh	32/89	22/71 c	33/91	23/73 pc
Pruzec	32/89	24/75 pc	32/89	24/75 pc
Rangoon	32/89	24/75 pc	32/89	24/75 pc
Seoul	21/70	12/53 pc	22/71	7/44 pc
Shanghai	29/79	17/62 s	28/79	17/62 pc
Singapore	30/86	23/73 r	31/88	23/71 r
Taipei	27/80	21/70 c	28/82	21/70 c
Tokyo	19/66	18/64 r	23/73	16/66 s
Vientiane	27/80	22/71 sh	27/80	23/71 c

North America

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Anchorage	11/52	3/37 pc	12/53	3/37 c
Atlanta	21/70	11/52 r	24/75	13/55 pc
Boston	10/50	4/39 r	15/59	7/44 pc
Chicago	16/61	6/43 s	19/66	8/46 pc
Dallas	23/73	13/55 s	26/79	15/59 pc
Denver	19/66	4/39 c	21/70	4/39 pc
Detroit	16/61	8/43 pc	19/66	8/46 pc
Honolulu	29/84	25/77 pc	30/86	22/71 pc
Houston	24/75	13/55 pc	27/80	16/61 pc
Los Angeles	23/73	12/53 s	27/80	12/53 pc
Miami	31/88	22/71 c	31/88	23/73 pc
Minneapolis	20/68	8/46 s	20/68	8/46 pc
Montreal	6/43	-1/31 r	13/55	4/39 s
Nassau	29/84	23/73 pc	32/89	23/73 pc
New York	14/57	8/46 r	17/62	8/46 pc
Orlando	31/88	19/66 sh	29/84	18/64 pc
Phoenix	33/91	18/64 s	34/93	18/64 s
San Fran.	17/62	11/52 pc	19/66	11/52 pc
Seattle	16/61	7/44 r	14/57	6/43 pc
Toronto	11/52	3/37 pc	17/62	4/39 pc
Vancouver	10/50	3/41 r	12/53	1/34 pc
Washington	20/68	12/53 r	21/70	11/52 pc

Latin America

Buenos Aires	18/64	3/48 s	22/71	13/55 pc
Caracas	29/84	23/73 pc	30/86	23/73 pc
Lima	24/75	17/62 s	24/75	18/64 pc
Mexico City	26/79	11/52 s	26/79	11/52 pc
Rio de Janeiro	31/88	21/70 pc	28/82	19/66 sh
Santiago	28/79	8/43 s	18/64	6/43 s

Oceania

Auckland	18/61	13/55 pc	20/68	12/53 pc
Sydney	23/73	15/59 s	23/73	15/59 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. ©1997

DEATH NOTICE

The Family announce with regret the death on 7 April of
ARTHUR LUCE KLEIN
aged 81, who died at his home in New Rochelle, N.Y., USA. He was the founder & president of Spoken Arts, the company who has released over 700 recordings of works by many famous poets & writers.
He is survived by his wife, Luce & 4 children: Judith (Manhattan), Florence (Santa Barbara, CA), Rosine (New Rochelle) & Joel (Baltimore), also his sister Sylvia Meil (Scranton) & 4 grandchildren.

German Passport Holders heading for Singapore in April. 50% off at the stylish boutique hotel in Orchard Road, Singapore.
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هكذا من الأصل

THE AMERICAS

Is 'Summit' Asking Too Much of Volunteers?

By Jason DeParle
New York Times Service

WASHINGTON — When the last of the limousines leaves Independence Hall in Philadelphia on Tuesday, after a three-day "summit" that will have brought together President Bill Clinton, three former presidents, 30 governors and dozens of corporate executives to praise and promote volunteer work, one impudent question may remain:

Does volunteerism do any good?

The complicated answer, when measured in hard data and even harder experience, is along the lines of "yes, but." Both halves will be worth remembering this week, when volunteerism, that traditional American virtue, promises to be oversold by supporters and underappreciated by critics.

NEWS ANALYSIS

The contributions of volunteers are plain to see. As many as 93 million Americans donate a total of 20 billion hours of their time each year, in acts of service that enrich their communities and their own spirit. They put on bake sales, clean parks, plant trees and coach soccer teams. They can be particularly adept at meeting one-time challenges like fighting floods or feeding victims of natural disasters.

The "buts" are less obvious.

Noble though its aims may be, the nonprofit sector, where volunteers do their work, is often inefficient, underfinanced, lacking in rigorous evaluation and largely exempt from the self-policing that the market coaxes from corporations and that elections instill in government.

What is more, only a small minority of volunteers work on the gritty social problems that the Philadelphia conference seeks to address. Most gravitate toward cultural venues, like theaters and museums, and to activities in their own neighborhoods — not to the nation's ghettos, where Mr. Clinton wants to make an impact in the lives of the 2 million "at risk" youths who are the conference's theme.

To their credit, the organizers of the conference — the Presidents' Summit for America's Future — have not called simply for a nonvariegated rise in volunteer work. Rather, they have outlined five specific ways poor children can be helped: mentoring, after-school programs, health care, job training and service by the needy themselves.

Despite the star-spangled hype surrounding the gathering, there is reason to hope that volunteers can prove useful in at least some of those areas.

Mentoring, for instance, is one of the few categories of volunteer work with a bit of social science on their side.

While there are hundreds of mentoring programs across the country, little concrete evidence showed that they did much good until the research group Public/Private Ventures published a 1995 landmark study of the Big Brothers/Big Sisters program, the nation's oldest mentoring effort.

The researchers followed 959 youths 10 to 16 years of age for a year and a half and found that the youths with mentors were 46 percent less likely to start using drugs than those on a waiting list for mentors. Among minorities, the effect was even greater: The youths in the program were 70 percent less likely to use drugs.

Those in the program were also 27 percent less likely to start drinking, and a third less likely to hit someone. They skipped half as many days of school and made small but statistically significant improvements in their grade-point averages.

"The results surprised us," said Gary Walker, head of Public/Private. "They were really substantial."

Even so, there are reasons to be cautious about what mentoring programs can achieve. The study followed the youths for only 18 months, saying nothing about how they fared later. Mr. Walker is quick to warn that other programs may not be as effective.

There is reason to question what volunteers can do for many other conference goals. While organizers hope to advance the cause of enhancing "marketable skills" among the needy, for instance, most job training programs have shown discouraging results.



Greg Gibson/The Associated Press

Mr. Clinton with volunteers in the AmeriCorps program, including Britnee Coates, a second-grader, after his weekly radio address.

Here's Bill, the Wheelchair Comic

The Associated Press

WASHINGTON — Reporters who cover the White House, President Bill Clinton says, are missing the boat on the campaign-finance scandal stories.

Wheeled onto the dais at the 83d Annual White House Correspondents Association Dinner, Mr. Clinton poked fun at the White House technique of issuing mountains of campaign-finance documents at a time.

"You did miss a couple of good stories," he told the reporters.

Pulling from a carton of "memos" the president continued:

"Here's a memo from Harold Ickes to Leon Panetta. Leon, FYI. Maxwell House coffee's on sale this week for $3.49 a pound."

"Here's one," Mr. Clinton read. "For $10,000 you can have a private meeting with Vice President Gore to discuss reinventing government. And for $20,000 you don't have to go."

Mr. Clinton also lamented that his daughter, Chelsea, 17, would be leaving for college soon: "The bad news is our only child is going off to college. The good news is, it opens up another bedroom."

About 3,000 Washington media stars, political figures and Hollywood celebrity guests — including Robert DeNiro, George Clooney, Alec Baldwin and his wife, Kim Basinger — attended the black-tie affair Saturday night at a hotel in central Washington.

Noting that reporters were upset about not being notified in a timely manner after he injured his knee last month, Mr. Clinton promised a change.

"In the spirit of reinventing government, starting tonight, we have decided to give you advanced notice of upcoming mishaps," the president said, going on to read a list of dates and injuries.

Both Mr. Clinton and the comedian Jon Stewart, the evening's official entertainment, lampooned the $300,000 loan that the House speaker, Newt Gingrich, received from former Senator Bob Dole to pay an ethics penalty.

"If I'd known Bob Dole was that generous," Mr. Clinton said, "I'd have invited him over for coffee."

Mr. Stewart begged the Federal Reserve chairman, Alan Greenspan, not to raise interest rates because, he said, he was looking for an apartment in New York City.

"I am at your mercy until Mr. Dole approves my loan," Mr. Stewart said.

Chretien Sets Canada Vote For June 2

Compiled by Our Staff From Dispatches

OTTAWA — Confident that the opposition is too weak to topple him, Prime Minister Jean Chretien called a federal election Sunday for June 2, 17 months before his five-year term expires. "I will be asking Canadians to give the Liberal Party a new mandate to build on the record of the last four years," he said.

Mr. Chretien has governed for only three and a half years, but he has a wide lead in the polls over a badly split opposition that would help his party sweep to another election victory if voting trends hold until election day.

Mr. Chretien tried to show that relief was ahead after the tough deficit slashing his government carried out. "Today we see that the light at the end of the tunnel is growing brighter," he said.

But he refused to yield to calls for tax cuts by the Conservative and Reform parties on his right, saying it would risk all the gains Canada had made "to introduce a tax cut before the country can afford one."

Although Mr. Chretien's popularity has ebbed slightly after record-high ratings, the Liberals remain the only party with substantial support. Recent polls show Liberal backing at around 45 percent, with between 10 to 16 percent each for four rival parties. *(Reuters, AP)*

POLITICAL NOTES

Clinton-Lott Bond Pays Off, for Now

WASHINGTON — During the budget showdown of 1995, the political consultant Dick Morris tried to resolve the impasse by forging a secret, backdoor connection between two clients, President Bill Clinton and Senator Trent Lott, Republican of Mississippi.

It did not work. But two years later, the Democratic president and Mr. Lott, now the Republican Senate leader, have forged a bond that, for the moment at least, has paid off.

The decisive, bipartisan Senate vote ratifying the Chemical Weapons Convention last week was the first major test of the Clinton-Lott working relationship and provided clues to what may become the new political dynamics in Washington as both sides move on to more difficult issues, such as the budget and campaign finance.

The president kept the public heat on Republicans through a series of campaign-style events while seeking a middle ground through quiet give-and-take. Even as their aides haggled over specific provisions of the treaty, Mr. Clinton and Mr. Lott dispensed with the middlemen and got on the telephone personally, as often as several times a week, to explore how far each other was willing to go.

The same willingness to make concessions will prove crucial in a budget compromise. But the issues of taxes and social spending are more complex politically, touch on priorities far closer to the hearts of both leaders and carry significantly greater risks for internal revolts if hardliners in either party believe they have been sold out. *(WP)*

Mexico Post Settled

WASHINGTON — Governor William Weld of Massachusetts said over the weekend that he had been offered the job as U.S. ambassador to Mexico and would accept.

Mr. Weld said he had been told by the national security adviser, Samuel Berger, that he would be nominated for the job.

"I would accept the post if offered," Mr. Weld, 51, said.

The post would preclude him from participating in politics for at least the next few years, including the 2000 presidential race, the Republican governor said.

President Clinton is expected to nominate Mr. Weld this week. *(AP)*

Quote/Unquote

Newt Gingrich, Republican of Georgia, the House speaker, on Democrats critical of his loan from Bob Dole to pay an ethics penalty: "Isn't it sad that the Democrats don't have anything to say about stopping drugs? They don't have anything to say about cutting taxes or balancing the budget. Why don't you ask them when they are going to get a life and have something positive to say about helping America?" *(AP)*

Senate Republicans Seek More Power in Court Choices

By Neil A. Lewis
New York Times Service

WASHINGTON — The Senate's Republicans are moving to consider a series of far-reaching measures designed to bolster their influence in selecting federal judges and to inhibit President Bill Clinton from naming anyone not to their liking.

Under one of several proposals considered at a caucus last week, a small number of Republican senators would have the power to block any nominees they thought were not conservative enough or were unsuitable for any other reason.

The proposed change in procedures, drafted by Senator Phil Gramm of Texas, would for the first time give senators a kind of veto power over nominees to the nation's 11 federal appeals courts, the level just below the Supreme Court.

Traditionally, senators are able to exercise authority only over nominees from their home states to a lower level of court, the district courts. Judges on that level have little ideological leeway, being mostly bound by rulings of the Supreme Court and appellate courts.

The effort by Republicans to increase their influence is based on the fact that although the White House nominates, the Republicans control the Judiciary Committee and the Senate, both of which must provide a majority to confirm a judge.

"We are trying to get a clearer definition of what the founders meant in the constitution when they gave the Senate the power to advise and consent on judicial nominations," Mr. Gramm said.

Each appellate circuit typically encompasses a number of states. Under Mr. Gramm's proposal, if the majority of Republican senators from the states covered by a circuit object to a Clinton nominee, the Republican majority on the Judiciary Committee would be obliged to kill the nomination.

In addition, the Senate Republicans are also set to consider on Tuesday a measure sponsored by Senator Slade Gorton of Washington that would require the White House to get advance approval of a nominee's ideological background. Under that proposal, the Republicans would flatly refuse to confirm any judicial nominee unless the president consulted in advance with the Republicans from the states in the nominee's circuit.

Senator Orrin Hatch of Utah, the chairman of the Judiciary Committee, has, however, become the man in the middle of the controversy. Under the new proposals, he would lose some authority as chairman of the Judiciary Committee and is likely to oppose them.

Air Traffic Control Needs Reform, Audit Says

By Matthew L. Wald
New York Times Service

WASHINGTON — The Federal Aviation Administration, which suffered repeated incidents of power failures that crippled air traffic control centers around the country in 1994 and 1995, had inadequate oversight of the system and lacked an accurate inventory of equipment, according to a report by the inspector general of the Transportation Department.

But the report said the agency has recognized its problems and moved to correct them.

The aviation agency blamed old equipment and errors by technicians installing replacements for the power failures. But the inspector general's audit said the agency had lost track of how old its equipment was because there was no centralized management.

"As a result of fragmented responsibility, 21 separate offices issued 71 orders, 7 standards and 29 specifications addressing power issues," it said.

The audit, dated April 14, said that various offices of the aviation agency had developed local databases, "but no nationwide inventory exists." It found that 88 percent of the system's generators, which have a useful life of 15 years, were more than 20 years old, and half were more than 30 years old. Many replacement parts are no longer manufactured, the report said.

"This hampered FAA's ability to identify critical information needed to modify or replace existing equipment," the audit said.

A spokesman for the agency, Anthony Willett, said the audit showed that the aviation agency was now on the right track. "They audited us, they agreed with FAA actions and therefore they took no action of their own," he said.

Thomas Brantley, vice president of the union that represents air traffic technicians, said: "There were people who knew what was there; maybe there were 300 separate people who knew. Somewhere they were getting 300 separate complaints about power systems."

Away From Politics

• **Another late aftershock** from the deadly 1994 Northridge earthquake hit Southern California early Sunday, a day after a wave of quakes hit the same area. No injuries or serious damage were reported. The 4.9-magnitude quake Sunday was centered about 13 miles (20 kilometers) northwest of the 1994 Northridge earthquake, which killed 72 people and caused $25 billion in property damage. *(AP)*

• **A debt-ridden truck driver apparently dumped** a shipment of four unarmed air force missiles in Texas after his company refused to give him a $500 advance, according to FBI documents released Saturday. Ronald Coy was arrested Friday at a truck stop in Orange, several hours after the $1 million missile shipment was found, and charged with wire fraud. *(AP)*

• **Florida has become the first state to sue** the federal government to prevent the loss of $300 million a year in welfare benefits to the state's legal immigrants, many of them elderly or disabled. A provision of the federal overhaul of welfare would deny Supplemental Security Income, food stamps and other benefits to 100,000 legal immigrants in the state unless they become citizens by Aug. 1. *(NYT)*

• **Montana has become the second state to approve the use of "chemical castration"** to reduce the sex drive of sex offenders who are about to be released from prison. A similar program went into effect this year in California. *(NYT)*

• **Three helicopters of the type that crashed in Manhattan last week,** killing a passenger, had earlier been found to have cracks in their tails, the same flaw blamed in the accident. But the Federal Aviation Administration did not know about those cracks. The agency has ordered the grounding of all 132 helicopters in the United States of that model, the German-made BK-117, so mechanics can check for cracks in the tail. Any helicopters found to have cracks will be grounded indefinitely, the agency said, because there is no approved repair procedure. *(NYT)*

• **Immigration officials said that they would appeal** a judge's verdict allowing a former member of the Irish Republican Army, Brian Desmond Pearson, who now lives in Rockland County, New York, to remain in the United States despite his role in a 1975 attack on a police barracks in Northern Ireland. *(NYT)*

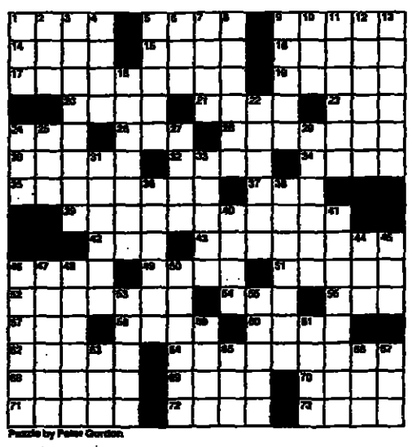
CROSSWORD

ACROSS

1 Comedian Mort
6 Small dent on a fender
9 Picket line crossers
14 Margarine
15 Cookie with a creme center
16 Diamond weight
17 Vegas card game
18 Dress style
19 Bullfight bull
21 Marx who wrote "Das Kapital"
23 Sault —— Marie
24 Flue residue
26 Suffix meaning "approximately"
28 Lucille Ball, e.g.
30 Where the Eiffel Tower is
32 Feed bag contents
34 Distinctive doctrines
36 Fast-growing community
37 Housebroken animal
39 Savior
42 Till bill
43 Yearned (for)
46 Weapon in a silo, for short
48 Found's partner
51 Muse of love poetry
52 Organized absenteeism of police officers
54 Turn
56 "The —— in the Hat" (rhyming Seuss book)
57 Writer Fleming
59 Greek letter
60 Ark builder
62 Greek letter
64 Stew vegetable
66 Build
68 Forearm bone
70 Indonesian island
71 Appears
72 Christmas carol
73 Settled, as on a perch

DOWN

1 Cry loudly
2 Start (and end) of the Three Musketeers' motto
3 London airport
4 Kooky
5 Martial arts schools
6 Rhymester Gershwin
7 Giraffe's prominent feature
8 Racing vehicle
9 Burn with hot water
10 Baseball's Ripken
11 Gets up
12 Small chicken
13 Spirited horses
18 Actress —— Scott Thomas
22 Set a top in motion again
24 Police radio alert, briefly
25 —— Paulo, Brazil
27 Inventor Elias
29 —— and yon (in many places)
31 "Hi, honey!" follower
33 Egyptian symbols of life
36 Verdi opera based on a Shakespeare play
38 Incited
40 Kooky
41 Of the windpipe
44 Greek letter
45 "I" piece
48 Long-billed wading birds
47 Actress Bloom
48 Jumper's cord
50 Exceed in firepower
53 Decrees
55 Basketball's Shaquille
58 Woody Guthrie's son
61 Rhyme scheme for Mr. Eban?
63 1900, on a cornerstone
65 Opposite WSW
66 Rhyming boxing champ
67 Annual basketball event: Abbr.



Puzzle by Peter Gordon

Solution to Puzzle of April 25

T	A	M	A	L	E	S		T	I	M	E	W	A	S
I	S	O	L	A	T	E		A	N	I	M	A	T	E
R	A	V	A	G	E	R		R	E	L	I	V	E	D
A	R	A	N		R	I	A	S		S	T	E	L	A
D	U	B	S		N	A	D	I	A		S	I	T	
E	L	L		B	E	L	A		T	Q	A	T	E	E
	E	E	L	Y		I	M	P	O	S	T	O	R	
		E	R	A	S		E	R	A	T				
	C	R	A	N	S	T	O	N		G	A	P	S	
T	H	E	S	E	A		S	E	D	E		L	E	V
R	O	T		P	S	O	L	E		R	A	R	A	
A	R	I	S	E		A	L	O	W		H	U	R	L
C	A	R	A	V	A	N		P	A	G	O	D	A	S
S	L	E	M	E	N	T		E	R	U	D	I	T	E
R	E	S	E	M	T	S		S	E	N	A	T	E	S

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ASIA/PACIFIC

BRIEFLY

Indonesia Parties Urge Calm

JAKARTA — Indonesia's three legal political parties began the monthlong general election campaign Sunday with an appeal for calm.

There were no reports of trouble in the major cities in this nation of 200 million people, the world's fourth most populous. Central Java has been hit by pre-campaign violence in recent weeks, primarily between supporters of the governing Golkar party and the Muslim-oriented United Development Party.

President Suharto's eldest daughter, Siti Hardiyanti Rukamana, began the campaign of the Golkar party at Semarang in central Java. "We must be watchful of security," she said. "We must be orderly."

Golkar, the United Development Party and the Indonesian Democratic Party, the only three groups legally permitted to contest the May 29 local and national elections, have agreed to campaign each day in separate areas of the country. Golkar took 68 percent of the vote in the last elections, in 1992 *(Reuters)*

Canberra Politician Is Warned

CANBERRA — Pauline Hanson, the Australian politician who provoked outrage with her comments on race, was warned Sunday by Canberra that she jeopardized Australia's prosperity.

Tim Fischer, the deputy prime minister and trade minister, said Ms. Hanson, an independent politician from Queensland state, was endangering the nation's standard of living and future wealth by jeopardizing billions of dollars in trade with regional economic powers.

The attention given to Ms. Hanson's comments in Asia was underlined by the Australian Olympic Committee president, John Coates, who said her views were affecting Australia's reputation in the region before the Sydney 2000 Olympics.

A Chinese community group in Ms. Hanson's home state said over the weekend that it would file an official objection against her planned One Nation Party, describing it as racially divisive. Ms. Hanson set off a bitter race dispute last year when she said that Australia was in danger of being swamped by Asians and that native Aborigines received favored treatment at the expense of white Australians. *(Reuters)*

Jiang Lauded for Russia Trip

BEIJING — The Chinese Communist Party newspaper, People's Daily, on Sunday hailed President Jiang Zemin's visit to Russia as a triumph and lauded his joint declaration with Moscow as a model for new world order.

Mr. Jiang flew home Saturday after a five-day visit to Russia during which he signed a treaty with President Boris Yeltsin and the presidents of Kazakstan, Tajikistan and Kyrgyzstan on cutting troop levels along the old Chinese-Soviet border.

Mr. Jiang and Mr. Yeltsin also issued a declaration outlining their vision of the post-Cold War world and opposition to claims by any country for world leadership — a clear, albeit implicit, reference to the United States. *(Reuters)*

VOICES From Asia

Tung Chee-hwa, Hong Kong's future leader, urging parents to resist the temptation to smuggle their China-born children into the territory: "They should not take the risk of sneaking into Hong Kong. There will be no amnesty, not today nor tomorrow." *(Reuters)*

Incinerators Belch Dioxin and Fear Into Japan Air

By Andrew Pollack
New York Times Service

TOKOROZAWA, Japan — Eiko Kotani has long been annoyed about the 20 or so industrial waste incinerators that have sprung up over the past decade in the once pristine forest outside her front door. She has installed air purifiers in all the rooms of her house and shakes the soot off the laundry she has hung out to dry.

But now Mrs. Kotani, a mother of four, has a new fear. Michio Tanahashi, a geophysicist who lives in this area near Tokyo, has discovered that the death rate for infants in towns just downwind of the incinerators is 40 percent to 70 percent higher than the average for the prefecture.

Although the conclusions have not been verified by professional epidemiologists, the findings have set off a fear of dioxin, a chemical found in incinerator smoke. Ten mothers agreed to an offer from a television news program to have their breast milk tested for dioxin, and the two women with the highest levels were advised to reduce breast-feeding by half.

Concern about dioxin is growing in Japan, which has suffered some of the world's most horrifying industrial-pollution episodes. The dioxin family of chemicals is suspected of causing cancer, skin diseases and reproductive problems; it is considered harmful even in minute quantities.

The major source of dioxin in most countries is the incineration of garbage, particularly plastics and other materials containing chlorine. Japan, a crowded country with little room to bury garbage, burns about three-quarters of municipal waste.

Japan has more than 1,850 municipal waste incinerators, compared with about 150 in the United States and 50 in Germany. Japan also has more than 3,300 privately owned industrial incinerators.

The side effects of the reliance on incinerators are now being seen. The concentration of dioxin in the air in Japan is about three times that in the United States and some European countries, said Masakatsu Hiraoka, a professor emeritus at Kyoto University who has led government advisory committees on the chemical. Airborne dioxin eventually makes its way into the food chain, concentrating especially in fish, a favorite food of the Japanese.

The government's estimates suggest that the amount of dioxin ingested by residents is somewhat higher than in other developed nations, though still generally within levels it regards as safe. Data from the World Health Organization show that the level of dioxin in breast milk, where it tends to concentrate in the body, is not higher in Japan than in other advanced nations.

But critics say Japan is well behind other countries in regulating dioxin levels. Mrs. Kotani recalled that when she complained, officials "said they had to worry about the livelihood of the industrial waste incinerators."

The dioxin issue is part of a broader problem in Japan about where to dispose of 50 million metric tons of household waste and 400 million tons of industrial waste each year. One opponent of dumps estimates there are 400 disputes in Japan about proposed or existing landfills or incinerators.

In Suginami Ward of Tokyo, more than 80 residents living near a year-old waste relay station have complained of difficulty breathing and numbness in limbs, and a few have been hospitalized. The city government insists that there is no obvious link between the relay station and what has become known as "Suginami disease."

During its high-growth phase in the 1960s, Japan experienced the Minamata Bay mercury poisoning and other public-health crises caused by pollution. One involved cooking-oil contaminated with two substances closely related to dioxin: polychlorinated biphenyls and furans.

People in western Japan who consumed the oil developed a severe skin condition called chloracne, as well as cardiovascular and nervous disorders. More than 1,800 victims were officially recognized by the government, and more than 100 are believed to have died.

Scientists do not predict such serious effects from incinerator emissions of dioxin, but evidence of disorders is accumulating.

Junya Nagayama, a professor of environmental health science at Kyushu University, has found that babies exposed to higher concentrations of dioxin in breast milk tend to have lower levels of thyroid hormones, which animal studies suggest play an important role in learning.

Many Japanese infants and children have also developed atopic dermatitis, an itchy skin rash. Hideaki Miyata, a professor of food sanitation at Setsunan University in Osaka, said breast-fed babies were more likely to develop the rash than those fed with formula, a sign that dioxin might be a cause.

Ultimately, some analysts say, Japan will have to reduce its output of garbage, either by recycling more or by cutting consumption.

Each resident generates 1.1 kilograms (2.4 pounds) of household waste a day, roughly equal to output in Western Europe and only half the amount generated by Americans.

Behind Papua Poll, Frustrations Seethe

By Seth Mydans
New York Times Service

PORT MORESBY, Papua New Guinea — It looked like a tribal sing-sing or perhaps a bride-price ceremony, with scores of men and women in feather headdresses and grass lap-lap skirts leaping and chanting in unison. But for the people of Papua New Guinea, it was something more exotic: an election rally.

"I am for development and against corruption," proclaimed John Kuman, the candidate, in what amounted to a nutshell summary of thousands of campaign speeches around the country. The tall, black bird-of-paradise feathers of his headdress bobbed above him as he spoke.

A self-described "unemployed government employee," Mr. Kuman, 34, is one of nearly 2,400 candidates vying for 109 seats in the parliamentary election that comes every five years, scheduled for the end of June.

Despite its festive atmosphere, the election arrives at a time of crisis with deep and tangled roots that involve a military mutiny, an outbreak of riots, an uproar over corruption and one of the world's more obscure separatist insurgencies.

"The frustrations are seething and building," a Western diplomat said.

Fragmented by mountain ranges and scattered islands into a jumble of more than 800 different languages and cultures, Papua New Guinea has yet to jell as a coherent nation and much of it remains beyond the reach of effective government.

Sometimes described as a mountain of gold floating on a sea of oil, this richly endowed South Pacific nation remains mired in poverty.

Two weeks ago, three government departments were locked out of buildings here in the capital for nonpayment of rent.

Earlier, government-run clinics and schools in West Sepik Province shut down for lack of money. In many areas, educational and health services are provided by missionary groups.

Almost everybody here seems convinced that the people they are electing to office are stealing the country's wealth.

"The people in government are saying, 'I'm just going to get what I can for myself,'" said Susan Balen, a human rights lawyer. "They are not concerned with unemployment, literacy or social services. We all believe there are millions floating around in the country that could put the children in school, set up colleges, build roads, keep them maintained."

In a report two weeks ago, the government's National Intelligence Organization joined the condemnation, saying official corruption was so pervasive that there would soon be "nothing worth stealing any more."

Political analysts say it is this breakdown in services and loss of faith in the government that underlies one of the most severe crises in the 21 years since this nation of 4.4 million people became independent of Australia.

The story of the current crisis begins with an intractable eight-year separatist insurgency on the eastern island of Bougainville that was sparked, after years of discontent, by anger over the seizure of land for one of the world's largest copper mines, the Panguna mine.

The insurgency forced the closing in 1989 of the mine, which had been producing one-third of the nation's income. It also caused the government to withdraw services from Bougainville, turning it into an island of anarchy, poverty and continuing warfare.

Early this year, after years of military failure, the prime minister, Sir Julius Chan, signed a secret $36 million contract with a group of British mercenaries, Sandline International, to send 60 soldiers to crush the insurgency once and for all.

The deal infuriated Papua New Guinea's military commander, Brigadier General Jerry Singirok. In a radio broadcast March 17, he announced that his forces would no longer support Sir Julius and demanded that the prime minister step down along with his two top ministers.

Sir Julius instead dismissed General Singirok, touching off two days of rioting by people who demanded the general's reinstatement. Many saw the hiring of mercenaries as another self-interested betrayal by the government and joined General Singirok in his expressions of outrage.

Though the police fired tear gas and rubber bullets at about 2,000 rioters, only one serious injury was reported. A looter's hand was chopped off by a security guard.

But the general kept his troops in their barracks and on March 26 the prime minister voluntarily stepped aside, pending a judicial inquiry into the hiring of the mercenaries. This step back from anarchy bolstered hopes here that democracy had taken firm root.

Seoul Reports New Defector

Compiled by Our Staff From Dispatches

SEOUL — A North Korean fisherman daringly escaped to the South on Sunday through a heavily fortified border, the Defense Ministry in Seoul said.

The defector, dressed in a military-style top and black pants, was seen being led to safety by a South Korean soldier at the eastern end of the Demilitarized Zone, the ministry said.

The ministry identified the defector as Jang Young Kwan, 38, but said the name was a pseudonym. Many North Korean escapees in the South use false names to protect themselves from terrorist attacks and to protect their families in the North. Families of North Korean defectors are often sent to gulags or are sometimes executed.

South Korea has been more cautious about naming defectors since Li Il Nam, a nephew of the former wife of the North Korean leader, Kim Jong Il, was fatally shot near Seoul in February. The attack occurred three days after Hwang Jang Yop, one of North Korea's top ideologues, sought asylum at the Seoul consulate in Beijing.

The fisherman apparently crawled between guards' posts.

INTERNATIONAL

In Yemen, a Growing Feminist Vote

By John Lancaster
Washington Post Service

ARHAB AL HINA, Yemen — It is hard to imagine a more unlikely outpost of women's political activism than this tiny village of crude stone houses and hand-tilled fields, lying in a narrow valley almost two hours by four-wheel-drive vehicle from the nearest paved road.

There is no school, no electricity, no television. Most residents can neither read nor write. The main legal authority is the local tribal leader, who adjudicates land disputes and criminal cases in the manner of a feudal lord.

For the last several months, however, women here have been subjected to tireless proselytizing on the meaning of democracy by Warda Ghaylan, a 25-year-old mother of three and one of the few village women with any formal education. Miss Ghaylan is a foot soldier in a nationwide effort to increase women's participation in the national parliamentary elections Sunday, the second since North and South Yemen were merged in 1990 after decades of warfare.

"I tell them, 'Your vote is the key to the future of your children,'" Miss Ghaylan said. "Yes, they listen to me, but sometimes when they hear that I've come to talk to them about the elections, they hide. They think people will come in big cars and take them away to vote in a faraway place."

[Local officials said seven people died and two people were wounded Sunday when a soldier opened fire on a polling station in the south, Agence France-Presse reported from San'a.]

A beguiling experiment in representative government has begun in this tradition-bound Muslim country of 14 million people — an isolated place where many men while away afternoons chewing a mildly narcotic plant called khat and rarely appear in public without a curved dagger strapped to their waists.

It is an experiment, moreover, in which women are playing a prominent role. Yemeni feminists in veils and billowy black robes are organizing voter registration drives, fielding female candidates and even cutting political deals with conservative tribal chiefs and the country's largest Islamic party, the Yemeni Islah Party.

The outcome could reverberate well beyond the borders of Yemen. In a region where political life is dominated by dictators, monarchs and Islamic fundamentalists, democracy advocates look to Yemen as a potential bright spot. Leaders of Saudi Arabia and other autocratic neighbors, meanwhile, see it as a bad example that could weaken their grip on power.

Situated on the southern tip of the Arabian Peninsula at the entrance to the Red Sea, Yemen is famously anarchic, to the point where government officials sometimes have to seek permission from local sheiks when crossing tribal boundaries.

Only three years ago, the South tried to secede from the North, bombarding the capital, San'a, with missiles in a month-long civil war. Relations between the two are still so strained that the largest southern opposition party, the Yemeni Socialist Party, is boycotting the election.

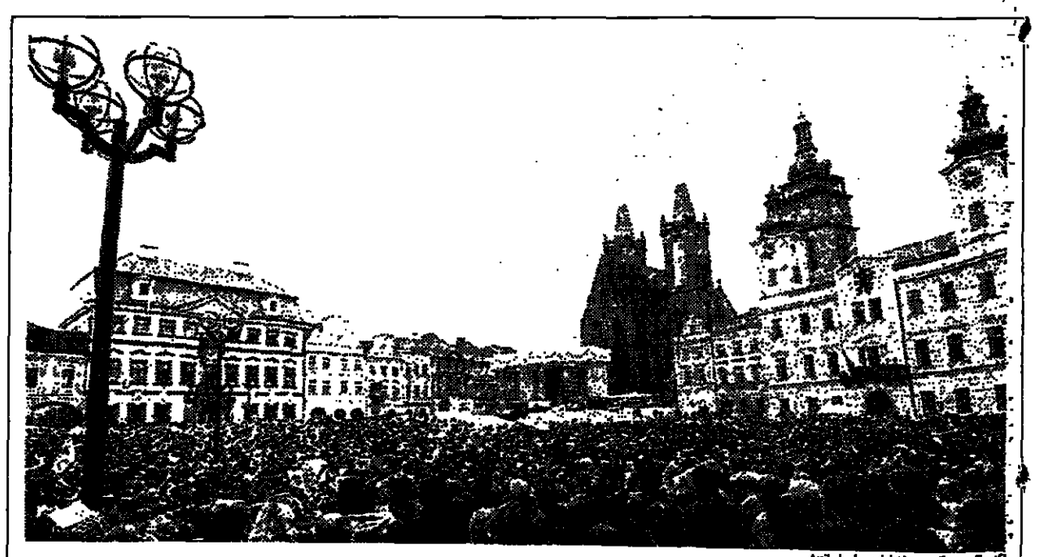
Nor is the central government a model of political enlightenment. The government of President Ali Abdullah Saleh, who has ruled for nearly 20 years, stands accused of human rights abuses.

Women face their own problems. Roughly 80 percent of women here are illiterate, compared with 35 percent of men; the limited supply of secondary schools is largely reserved for boys.

Such disparities are reflected in political life. Just two of 301 members of Parliament are women. During the last elections in 1993, the 43 female candidates encountered so much hostility that only three have chosen to run again. This year, only 16 of more than 2,000 candidates are women; most of them are running as independents because major parties refuse to back them.

Despite weak representation in Parliament, women are not entirely powerless. Earlier this month, the highest-ranking woman in the Yemeni government, Information Undersecretary Amat Aleem Sosowa, was horrified to learn that Parliament had passed legislation lifting the ban on marriage for girls under 15. So she contacted the legal adviser to President Salih, who sent the law back to Parliament without his signature.

Even the Islah party, whose extremist wing has barred the use of Western musical instruments in its campaign jingles, has been signing up women voters in its strongholds.



Attila Kisbenedek/AFP, France-Presse

Hradec Kralove's main square as John Paul II, on a three-day visit to the Czech Republic, celebrated Mass.

Slovaks Lose Roots Amid Czechs

By Christine Spolar
Washington Post Service

PRAGUE — Lenka Pikna is a Slovak in memory only. The 17-year-old native of Slovakia speaks Czech with all her friends. She stumbles badly when she writes a letter in Slovak to her cousins near Bratislava, the Slovak capital. Fluent in French, English and Czech, she rolls her eyes when her father, in Slovak, prompts her to talk about her roots.

"Daddy hates it when I say this, but I don't feel like a Slovak. I don't feel like a Slovak, and I don't feel like a Czech. I feel," she said in English, "like an international."

Four years after Czechoslovakia split into two countries, the Czech Republic's largest minority has jumped a cultural divide. Hundreds of thousands of Slovaks, who long maintained their separate identity but mixed well in Czech society, now are hurtling toward total assimilation.

Some have chosen to silence their mother tongue in the workplace. Although nine Slovak cultural organizations have sprung up in the Czech Republic since the split, they appear to exist for little more than simple camaraderie.

"I don't think there's a Slovak group that exists to fight for anything in the Czech Republic, because there's nothing to fight for," said Jana Halukova, secretary of the Slovak Culture Club, the oldest Slovak organization in Prague. When she goes to Slovakia, she says, "we agree not to talk politics."

Some sociologists see the loosening of expatriate Slovaks' bonds as part of an overall antipathy, voiced by Slovaks and Czechs alike here, toward the brand of politics practiced in Slovakia. Others describe the desire to fit in as a natural process hastened by historically close links between the Slovak and Czech lands.

Others, including prominent Slovaks, link the Czech Republic's prospects for joining NATO to the Slovaks' rush to blend in, if not disappear.

"The Slovaks here want to be sure they can and are ready to take advantage of what will come," said Magda Vasaryova, founder of the Slovak Foreign Policy Association, a research organization, who shuttles between Prague and Bratislava. "This will be the chance to be part of Europe and all that it means."

The two parts of what was Czechoslovakia underwent two remarkable transformations in four years. In 1989, they toppled the Communist regime that had been in power since 1948. In 1993, the two culturally similar states, joined since 1918, spun away in a peaceful divorce, driven by two clear political and economic tides.

Slovakia, led by Prime Minister Vladimir Meciar, listed toward nationalist politics and a slower approach to free-market economics. The Czech Republic, under Prime Minister Vaclav Klaus, was speeding toward Western models of democracy and free trade.

Today, it is the Czech Republic's political and economic prospects that spur Slovaks to fit in. Last month, Pavol Niezgodzky, a teacher, unwittingly tested the urge among the young. Mr. Niezgodzky headed an effort to open a secondary school geared toward reinforcing Slovak culture and language. To open a new school — which the Czech government promised to finance — he needed 30 students from Prague's 30,000-strong Slovak community. Seven applied.

"Students don't want to stand out from their peers. And parents don't want to take a chance on the school," Mr. Niezgodzky said.

It is estimated that as many as 500,000 Slovaks live among the 10 million people of the Czech Republic, while only 60,000 Czechs live in Slovakia, with a total population of 5 million. Slovaks were drawn to the Czech lands for jobs when Czechoslovakia was created from the ruins of the Habsburg Empire, and again after the Communist takeover in 1948.

Netanyahu Rejects Calls for Elections

Reuters

JERUSALEM — Prime Minister Benjamin Netanyahu of Israel on Sunday rejected opposition calls for early elections, despite the lingering fog of a corruption scandal.

In a further setback for the leader of the Likud party, an annual public-opinion poll indicated, for the first time, that a majority of Israelis backed a Palestinian state.

"I have no intention of going to early elections," Mr. Netanyahu said in an interview Sunday on Israel Radio. "I intend to correct what needs to be corrected and move forward."

Opposition politicians have demanded elections because of an influence-peddling scandal that has rocked Mr. Netanyahu's government. And a political ally, Trade and Industry Minister Natan Sharansky, said last week that Mr. Netanyahu had yet to prove he could lead the country.

Despite the state's decision not to bring charges against Mr. Netanyahu in the cronyism affair, prosecutors said last week that there were "real suspicions" about his role in the short-lived appointment of an attorney general. "There were certainly mistakes that I made — I don't deny it — throughout the whole selection process," Mr. Netanyahu said on Israeli Army radio.

Granting his first interviews to the Israeli media since prosecutors decided not to charge him, Mr. Netanyahu said a new government committee would prevent further mistakes.

"The bottom line is I didn't break the law," he said. "I know exactly what I did and didn't do, and I didn't commit a single crime, not a single thing of what I was said to have done."

The annual poll, by a leading think tank, found that 51 percent of Israelis supported the establishment of a Palestinian state, while 49 percent opposed it. Mr. Netanyahu was narrowly elected in May on a platform steadfastly opposed to a Palestinian state — an avowed goal of the Palestinian leader, Yasser Arafat.

"We have been conducting this poll for the last 10 years and this is the first time the figure has passed the 50 percent mark," said Asher Arian, a professor at Tel Aviv University's Jaffee Center for Strategic Studies. "In general, there is an acceptance of Arabs, a willingness to see them as wanting peace," he said Sunday.

Support for a Palestinian state has been growing steadily in recent years, reaching 46 percent in the 1996 poll, he added.

مكتبة من الأصل

EUROPE

Chirac's Gamble: Courting the Foes of Social Cuts

By Craig R. Whitney
New York Times Service

PARIS — To understand some of what lies behind President Jacques Chirac's decision to risk his conservative government's political future on early national elections, it helps to talk with Bernard Jorant, a 46-year-old long-distance truck driver who lives in Le Mans, in the heart of France.

Mr. Jorant and tens of thousands of other truck drivers tied up highways across the country for a month last winter in a strike aimed at the core of the government's budget cuts. In the end, the drivers got what they wanted: the right to retire on full pensions at age 55, with the government agreeing, despite its austerity policies, to pitch in to help the drivers and their employers pay for the early retirement plan.

"I tell friends in my labor union that we should judge any government strictly by whether the good things it did for us outweigh the bad," Mr. Jorant said. His French Democratic Labor Union has been less critical than most of the government's plans to stanch a $10 billion deficit in the state pension and health insurance system, one of many cuts in spending it must make to qualify France for membership in a common European currency two years from now.

"On balance," Mr. Jorant said in Le Mans recently, "I'm telling them that this government comes out slightly on the positive side."

Mr. Chirac will win his gamble if people like Mr. Jorant and millions of others in the vast majority who sympathized with the strikers vote for a continuation of Prime Minister Alain Juppe's conservative coalition in the elections that the president called for May 25 and June 1.

Mr. Chirac called the vote in hopes of clearing the political decks for five years, in case he and his prime minister have to continue with the tight-budget policies required by the Maastricht treaty on monetary union, aides say.

Public opinion polls show both Mr. Chirac and Mr. Juppe to be extremely unpopular. But the polls also show that for all the grumbling, they may well succeed, though probably with a sharply reduced majority from the huge 465-seat margin they have now over their divided Socialist and Communist opposition.

A larger issue, one that will haunt governments in France and most other Western European countries in the decades ahead, is whether even a successful monetary union can save the social benefits, like early retirement, that Mr. Jorant and others now look forward to.

Economists say that early retirement spells enormous and inevitable economic and financial disaster for many of Europe's pension systems, at least as they now stand.

In France as in most other European countries, pensions are financed mostly by the taxes that working-age people pay each year, a system of intergenerational transfers.

Mr. Jorant collects a gross monthly salary of the equivalent of $1,893. If he were to retire tomorrow, he could collect pension benefits of about $1,420 a month, or $17,000 a year. In all, he and his employer, the Scac-Mahe trucking company, make pension payments totaling 25 percent of his gross annual salary, an arrangement that is more or less typical for French salaried workers of all kinds.

As long as workers greatly outnumber pensioners, this system, called a "contract between the generations" by its many supporters, works reasonably well. But European birth rates have fallen so sharply over the last 50 years that the system will soon require raising social security taxes to impossibly high levels, economists say.

Where there were about three French workers paying social security for every pension-collecting retiree in 1995, by 2015 there will be only two, and by 2030, 18.6 million retirees will be depending on 30 million workers for their pensions.

France, Germany, Italy and most other European countries except Britain, where most people now rely on private pension systems, will have trouble financing their existing pension systems even if they gradually raise retirement age to 70, according to a study by the 29-nation Organization for Economic Cooperation and Development.

In France, that could mean that red ink from the pension system alone would drive government budget deficits to as high as 10 percent of gross national product — more than three times the 3 percent level permitted to join the European monetary union — by 2030 or so, the study found, and a lot sooner than that if more people follow the truck drivers' example and win the right to early retirement.

"The problem is so immense that they'll have to completely change the system," said Douglas Fore, a senior economist with the OECD.

Private pension funds exist in France, as supplements to government pensions, but only about half of white- and blue-collar workers participate in them, according to official statistics.

Last month, Mr. Juppe's government secured passage by the legislature of a bill that would broaden the system and make contributions tax-deductible. But it did not put the law into effect before dissolving Parliament early this week, so the law's future status is uncertain.

Jospin Would Decriminalize Hashish

Reuters

PARIS — The French opposition Socialist leader, Lionel Jospin, saying he had twice smoked hashish, told a television interviewer Sunday that he wanted to decriminalize the use of the drug if his party won the parliamentary election scheduled for May 25 and June 1.

"I did it once in the United States, with a young woman, and I think once in France," Mr. Jospin said in the interview with Canal Plus television about a 1995 admission that he had smoked hashish.

He said his party would decriminalize the drug if it emerged victorious from the voting. "Legalizing sounds like justifying," he said. "Penalizing is absurd. I think we have to find a line somewhere between the two."

France forbids the recreational use of drugs and has frequently clashed with the Netherlands, where the possession of small amounts of soft drugs is tolerated.



Firas Hamoui/The Associated Press

Mr. Blair and his wife, Cherie, touring north England in Labour's campaign bus.

Blair Keeps His Guard Up

He Warns of Complacency as Polls Predict Landslide

Reuters

LONDON — Tony Blair, the British opposition leader, warned voters Sunday against complacency in the face of polls that are predicting his Labour Party will win a landslide in Thursday's election.

Labour has languished out of office for 18 years, but the polls predict the main opposition party would not only win this time but win on a scale not seen for more than half a century.

Four surveys in Sunday newspapers showed Labour 15 to 24 percentage points ahead of the governing Conservatives, a lead that could produce a majority of almost 200 in the 659-seat Parliament.

No party has come from so far behind in so little time to clinch victory, but Mr. Blair insisted that his guard was still up against a recovery by the Conservatives, in power since 1979.

"I take nothing for granted in this election," he said. "There's only one poll that counts and that's the one at election day."

He urged voters not to slip into a false sense of security and thereby hand the Conservatives a record fifth straight term.

Prime Minister John Major, meanwhile — said to be one of the few top Conservatives who still believe the election is winnable — spent Sunday portraying himself as a pragmatic fighter who feels his government work is unfinished.

"There's no point in carrying your heart on your sleeve. You need to have an efficient, effective economy," he said in an interview on ITV television. "Having got the economic background right, I'd like to carry on with the social measures."

Mr. Major conceded that there had been "bumps" in his leadership, but he accused Labour of peddling "great lies" and practicing "contemptible politics" aimed at scaring the weak.

From Mr. Major down, Conservatives have chanted a tried-and-tested message that Labour cannot be trusted on tax policies, trying to sow the same seed of doubt that helped them win in 1992.

"A vote for New Labour is a leap in the dark," said Brian Mawhinney, the Conservative Party chairman. "You can't trust Labour. If in doubt, keep them out."

The main upset on election day might come from the Irish Republican Army amid fears of disruptive bomb threats.

The guerrilla group has posed a constant threat during the campaign, targeting transportation links and high-profile public events to cause chaos in daily life and ensure coverage for their campaign to end British rule of Northern Ireland.

Polling stations are expected to be on high alert Thursday, with results expected early the next day.

In another blow to the Tories, The News of the World, Britain's best-selling Sunday newspaper, said it was abandoning its traditional support for the Conservatives and would back Labour.

"We back Blair, the man for the new millennium" the newspaper declared in a front page headline, saying Mr. Major was no longer fit to rule Britain.

The News of the World, which backed the Conservatives in the last three elections, contended that Mr. Major was a weak man who was incapable of preventing a series of sleaze scandals and Conservative splits over policy toward Europe.

Aznar Job Rating: 44% Like Him

The Associated Press

MADRID — Jose Maria Aznar seems to have won the approval of Spaniards, with almost half believing he has done a good job in his first year in office, according to a poll published Sunday.

Of 1,200 people asked, 44 percent ranked Mr. Aznar's performance as "good" or "very good," while 24 percent saw it as "bad" or "very bad," according to the poll published by El Pais. The survey, carried out by Demoscoia, said 30 percent saw Mr. Aznar's performance as average, and 2 percent were undecided.

The poll indicated that Felipe Gonzalez, whom Mr. Aznar succeeded when the center-right Popular Party won general elections in May 1996, is still a more popular personality by a little more than 1 percentage point.

If elections were held today, Mr. Gonzalez's Socialist Party would win 22.5 percent of the votes, while Mr. Aznar's Popular Party would claim only 21.0 percent, the poll said.

The poll, with a 2.9 percent error margin, showed Interior Minister Jaime Mayor Oreja to be the most popular minister, followed by Labor Minister Javier Arenas and Finance Minister Rodrigo Rato.

Croatia Shrugs Off the West

Nationalist Leadership Indifferent to Its Critics

By Chris Hedges
New York Times Service

ZAGREB, Croatia — Fueled by its triumph in recent elections, the nationalist party that rules Croatia is scuttling U.S.-led initiatives to rebuild the region and is defying Western pressure to allow the return of Serb refugees and to prosecute indicted war criminals, Western diplomats say.

These diplomats have begun to speak disparagingly of the country's future integration into Europe and its position as a military and economic partner. Many of them now talk of eventually allowing neighboring Slovenia into NATO but of leaving Croatia to simmer in the Balkan caldron with the other four republics of the old Yugoslavia: Bosnia-Herzegovina, Serbia, Montenegro and Macedonia.

"At this point there is not one issue that is important to us that the Croatian government seems willing to implement," a senior Western diplomat said. "The arrogance, considering that this is a country of less than 5 million people, is a bit staggering."

At the start of the war for independence from Yugoslavia in 1991, President Franjo Tudjman had worked hard to win the good will of the West. But in 1995, as the final phases of the war drove nearly the entire ethnic Serbian population into exile, the governing party began to defy its Western partners.

The Croatian Democratic Union, following its sweeping election victory announced Thursday, looks set to dominate Croatian political life for several more years. And Mr. Tudjman, although seriously ill with cancer, will probably be re-elected when presidential elections are held sometime this summer.

With moderate opposition parties now locked out of office, there seems little way left to get Zagreb to alter its course.

The U.S. officials are increasingly frustrated by Croatia's refusal to honor a subpoena and extradition request for Zlatko Aleksovski issued by the international war-crimes tribunal in The Hague. The United States is planning to block a pending $486 million international loan to Croatia if it does not turn him over by early May, diplomats said.

Because of Croatia's failure to cooperate with the tribunal, the United States abstained earlier this year from an International Monetary Fund vote approving an economic-reform loan for Croatia.

Mr. Aleksovski, who was indicted for atrocities against Muslim civilians in Bosnia's war in 1993, was arrested in Croatia almost a year ago and now lives in Split. But Croatia has refused to send him to the tribunal in The Hague, saying he is ill.

U.S. officials, including Assistant Secretary of State John Kornblum, met recently with Mr. Tudjman and asked him to carry out the tribunal's request for the extradition and to comply with its subpoena, issued in January, for documents related to the wartime activities of Tihomir Blaskic, a Croatian commander imprisoned in The Hague.

So far, the Croats have refused.

Western diplomats are also embroiled in two other disputes with the Croatian government. The first is the government's maneuvering to keep 200,000 ethnic Serbs driven from their homes in Croatia from returning, as called for in the Dayton peace accords that ended the Balkan war. The other is Croatia's decision to boycott a U.S.-led regional program, the Southeast European Cooperative Initiative.

The Croats, for their part, have attacked the initiative as a thinly disguised attempt by the Americans to tie Croatia to the former Yugoslav republics. They said the subpoena request was not "legal."

"We think we are cooperating with The Hague and are ready to continue this cooperation," a senior Foreign Ministry official said.

"As far as the Serbs are concerned, I would note that according to the UN High Commissioner for Refugees, only 10 percent of the Serbs from all parts of Croatia want to return. Those who want to return will be allowed to return."

Germany Admits Guilt On Guernica Bombing

Reuters

GUERNICA, Spain — Germany acknowledged Sunday the guilt of its pilots in the destruction of the Spanish town of Guernica 60 years ago, but stopped short of apologizing for Europe's first aerial bombardment of civilians.

The raid on April 26, 1937, conducted by Germany to aid the nationalist forces of General Francisco Franco in the Spanish Civil War, killed 500 to 1,000 people.

But, more than the number of dead, it was the deliberate massacre of civilians that transformed Guernica into a symbol for the horrors of war, and inspired Pablo Picasso's masterpiece "Guernica."

In a ceremony commemorating the victims, Germany's ambassador to Spain, Henning Wegener, read a message of mourning and reconciliation from President Roman Herzog.

"On April 26, 1937, Guernica fell victim to an air strike by formations of Legion Condor, which made the name of the city the symbol for a type of warfare that affected a defenseless population in like manner cruelly and unprepared.

"The day of Guernica and the human suffering for which this name stands, are since part of the collective memory of our peoples," Mr. Herzog's message read.

While the text recognized the guilt of the German pilots, it contained no apology or words of regret.

On Thursday, the German Parliament rejected a motion to discuss the bombing raid. Opposition members had wanted Parliament to express formally its regret, but Chancellor Helmut Kohl's coalition voted against a debate.

5 Bombs Set Off In Corsica Towns

The Associated Press

AJACCIO, Corsica — Five separate bomb attacks caused damage to government tax offices and banks on this Mediterranean island, the police said Sunday.

There were no injuries and no immediate claims of responsibility, they said.

A 300-gram (11-ounce) bomb severely damaged the French government tax office in the center of Bastia shortly after midnight, the police said.

A tax office in nearby Ville de Pietrabugno was severely damaged at the same time by a similar type of bomb, they said.

About one hour later, three smaller bombs exploded in front of banks in Ajaccio, the authorities said.

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THE WORLD'S DAILY NEWSPAPER

BRIEFLY

Albania Refugees Reach Italy

ROME — A heavily listing boat built to carry fewer than 50 people limped into a southern Italian port crammed with 571 Albanians on Sunday, the coast guard said.

The Albanian vessel was escorted into Barletta, on Italy's southern Adriatic coast, by coast guard vessels after sending out a distress call.

"The sanitary conditions were appalling," a coast guard spokesman said by telephone from Barletta. "Even 50 people would have been too many to have on board."

The number was by far the largest on a single vessel to reach Italy from Albania this month, following a relative lull after 13,000 people arrived in March on decrepit boats to escape their country's slide into anarchy. *(Reuters)*

Yeltsin Won't Attend Summit

MOSCOW — President Boris Yeltsin has no plans to attend the NATO summit meeting that is due to offer membership to some former Soviet bloc states, Interfax news agency quoted his spokesman as saying.

The spokesman, Sergei Yastrzhembsky, noting that the Madrid meeting did not appear on Mr. Yeltsin's working schedule, said that the president's attendance at the meeting had "never been seriously considered by the top Russian leadership."

Kremlin officials contacted directly declined to comment or to say whether the decision reflected any change in Mr. Yeltsin's determination to sign a treaty with NATO a month from now. *(Reuters)*

Greeks Visit Turk-Held Cyprus

NICOSIA — An Easter pilgrimage by Greek Cypriots in Turkish-held northern Cyprus went ahead Sunday despite a dispute that had threatened to doom the rare cross-border visit, Turkish Cypriot officials said.

The officials said 118 pilgrims were attending ceremonies at the monastery of Apostolos Andreas, 120 kilometers from Nicosia on the island's northeastern tip, to celebrate Greek Orthodox Easter.

An estimated 600 people were scheduled to take part in the visit when it was canceled Friday after Turkish Cypriot authorities refused to allow three of the proposed visitors to cross into the Turkish-held part of the island.

"It is pleasing that the visit is taking place," said Taner Etkin, foreign minister of the self-styled Turkish Republic of Northern Cyprus. "I wish all of them could come, but they are banned by the Greek Cypriot authorities."

Greek Cypriot authorities objected to the restrictions on the proposed visitors and said they had canceled the trip. *(Reuters)*

The EU This Week:

International Herald Tribune

Significant events in the European Union this week:

• *EU foreign ministers meet Tuesday in Luxembourg to review prospects for concluding a new governing treaty at the Amsterdam summit meeting in mid-June and to consider tougher diplomatic measures against Iran because of a German court's ruling that Tehran's leadership organized the murder of three Kurdish dissidents in Berlin.*

• *The ministers also are scheduled to hold the first ministerial meeting with Turkey in two years to sign a declaration underlining Ankara's eligibility for eventual EU membership.*



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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Treaty's High Cost

American ratification of the chemical weapons treaty in the end became a joint project in which the president and a Republican-controlled Senate gave the concept of bipartisanship some life. Bill Clinton, completing a negotiation begun by Ronald Reagan, fought for and won something of value to him as a political trophy and to the country as an imperfect but useful protection against chemical calamity. Had he fallen short after making such a huge investment of prestige and political capital, he would have suffered a stinging humiliation.

But while the Republican origins of this treaty and the crucial Republican support for it gave Mr. Clinton a prize, he had to pay a very high price for it — not only in terms of the contents of this treaty but also in the commitments he made to consider Republican desires in other foreign-policy matters.

For Republicans, the ratification debate was a trauma. It split the party between go-it-alone nationalists led by Senator Jesse Helms and try-it-together internationalists led by the party's past and present majority leaders, Bob Dole and Trent Lott. These legislators secured, as the price of their support, several sets of presidential assurances. One set, bearing on this treaty, allowed the Republican senators to claim they had rendered safe and acceptable a dangerous treaty that a unvigilant president had signed. This was a substantial exaggeration but a posture useful for purposes of ratification.

A second set of presidential assurances go to other items on the foreign-policy agenda — reorganization of the executive branch, the American debt to the United Nations, various arms-control arrangements with the Russians and so on. These bills will become due only later, and it remains to be seen what their true cost will be.

Foreign-policy bipartisanship used to mean congressional support for executive branch initiatives. But the Republicans now controlling Congress include an unusually strong hard-line element that demands to be accommodated.

In the ratification process, the chemical treaty itself became rather the lesser part of the exercise. Indeed, a consensus emerged that whatever the document said, it was not in itself going to guide the abolition of chemical arms; rather, the United States was going to have to take on its own unspecified responsibilities to deal with the problem of chemical proliferation. The president had to promise that under certain dire conditions he would withdraw from the treaty — leaving entirely unexplored the question of how the chemical menace would then be dealt with. The tension between the multilateralism embodied in the text and the unilateralist tendencies expressed in the ratification is likely to provide further tests between the branches as real life unfolds.

There will also probably be further tests between the United States and other nations ratifying this treaty, as the latter learn how the American political process has made of the document something different in spirit and even in letter from what they thought they had negotiated. They were watching the American debate not simply out of a well-founded concern for chemical proliferation. They also wanted to see whether the United States can stay responsibly engaged with them. The evidence of this treaty and this treaty debate is that the United States is moving the right way but with a measure of ambivalence and hesitation that promises future uncertainty.

— THE WASHINGTON POST.

Insulting Peru

Had you thought that President Alberto Fujimori of Peru did pretty well in rescuing the hostages and with a stunningly small loss of life?

Not everybody appears to agree. A line of criticism is developing that the special forces were at fault in mowing down all the terrorists. It is suggested that Mr. Fujimori's triumph was purchased at the expense of a worrisome increase in the power of the military and the intelligence service and that the president's resulting heightened connection to the military will damage the human rights situation in the country. The test will be, it is said, whether he now proceeds with necessary internal reforms.

All this is more than a little offensive. Take just the notion that the military men crashing into the Japanese Embassy were trigger-happy or were following dubious orders to shoot to kill. The guerrillas had pledged to give their lives to their cause and had practiced counter-intervention tactics entailing the immediate murder of hostages. There was not much time to discover what individual terrorists were actually going to do. A battle was raging. To second-guess the Peruvian soldiers' tactics, as against praising their bravery, seems unworthy.

As to the anxiety that the episode foreshadows an increase in the military's power and a resulting deterioration in the official treatment of human rights, this is a perverse reading. Everything that has since come out indicates that Mr. Fujimori, the elected civilian authority, was completely in charge. He enjoys a new measure of popular respect and personal prestige, which he can set against any increment in military assertiveness that may yet develop. You would think that, at least for this week, any threat to human rights would be perceived as coming first from the terrorists who held 72 people hostage, not from the military men who set them free. Is not holding someone under force and threat of death for a prolonged time a rather elementary abuse of human rights?

There will be a time — and it should come soon — when Peruvians move on from their latest terrorist ordeal to deal with their country's dire social and economic plight. The guerrillas who seized the Japanese Embassy had by all accounts little to contribute to this project. President Alberto Fujimori is the key man. It seems unfair to patronize him in his hour of triumph.

— THE WASHINGTON POST.

Her Own Decision

The news that a 63-year-old American gave birth late last year has prompted calls to set a maximum age limit for women who receive treatment at fertility centers. But while individual fertility centers can, and already do, set age limits, this is not an area that requires regulation or other government intervention. The decision on whether to undergo pregnancy after menopause should remain a private choice between a woman and her doctor, based on individual circumstances.

Advancing technology has rapidly expanded the possibilities for assisted reproduction, and eggs donated by younger women have allowed older women to conquer infertility. As long as a uterus is healthy, the pregnancy barrier can be pushed well beyond menopause.

The California clinic that assisted this new mother bars women over 55 from receiving donated eggs, and many fertility clinics set age limits at 50 or lower, usually because of health concerns. But the woman, like many others in her position, simply lied about her age.

She told the infertility specialists that she was 50 at the time she started treatment when she was, in fact, 10 years older. Even so, she passed extensive medical evaluations.

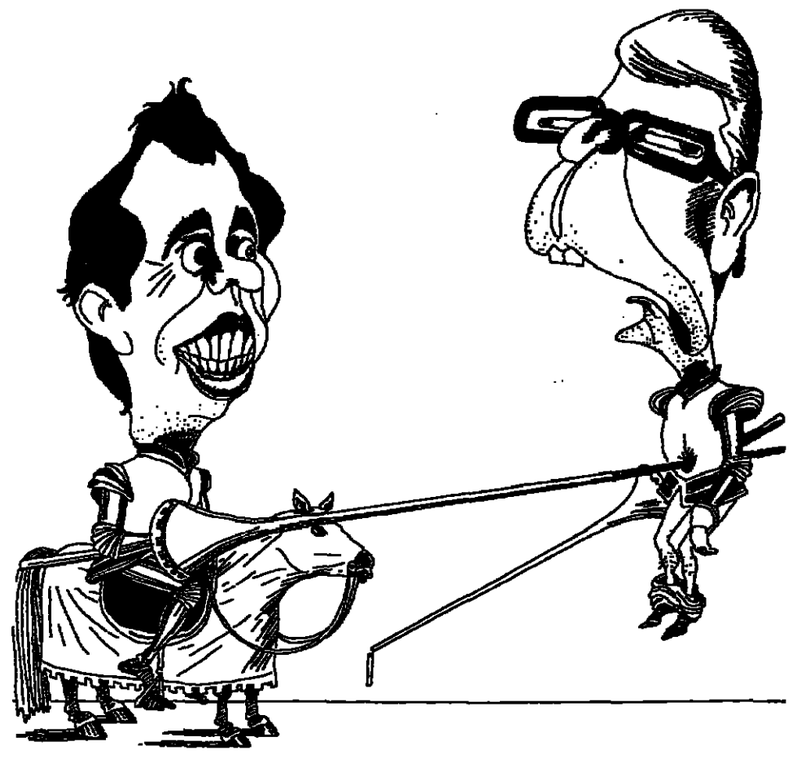
It was not until three years later, after she was implanted with a donated egg fertilized with her now 60-year-old husband's sperm, that she revealed her age. According to her doctors, she delivered a healthy baby girl late last year. She now goes into the record books as the oldest known woman to have delivered a child.

While this mother is a monument to the increasing health and fitness of older people, she has become the focus of debate over the propriety of becoming a parent at an age when contemporaries are enjoying the freedom of being grandparents. But in terms of maturity and knowledge, a child may be better off with a 60-year-old mother than a 15-year-old one, especially if the older woman makes provisions for the child in the event she dies or is incapacitated. Society already accepts the notion that older men can be fathers. Surely it is no more selfish or shortsighted for an older woman to have a child.

— THE NEW YORK TIMES.

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How Major '97 Relives Dole '96

By David S. Broder

LONDON — Prime Minister John Major, so the conventional wisdom goes, is the George Bush of British politics. But the campaign he is leading for the Conservative Party also bears an uncanny resemblance to Bob Dole's 1996 race for the presidency. If Mr. Major and the Tories lose Thursday's election to Tony Blair and the revived Labour Party, as all the polls suggest, he may be treated even more shabbily than his American counterparts.

After 18 years in power — 11 under the redoubtable Margaret Thatcher and the rest under Mr. Major, the Conservatives seemingly have unraveled. For months, polls have shown them unable to win more than one-third of the vote against Labour and the centrist Liberal Democrats. If the results Thursday confirm that low standing, the Tories face a worse rout than the Republicans suffered in 1992, when their 12-year run in the White House ended.

Mr. Major is like Mr. Bush in being a nice man with universally admired personal qualities who never has roused the passions that surrounded his predecessor. Just as the aura of Ronald Reagan dimmed Mr. Bush's reputation, so Baroness Thatcher's long shadow has kept Mr. Major in the shade. The "Iron Lady" was the victim of a 1990 revolt of Tory members of Parliament, who feared that her tax policies and overbearing personality would doom them in the 1992 election. But in political exile, she has become a figure of historic size.

Mr. Major, by contrast, has so little of that reputation that Labour Party ads have caricatured him as the front half of the silent-movie comedy team of Laurel and Hardy. The headline on an editorial column in The Times of London last Tuesday summed up the judgment of the political elite: "Major is just not up to the job."

That was not always the view. Like Mr. Bush, Mr. Major was able to turn back the opposition in the first election in which he led his party. In 1988, Mr. Bush was initially the underdog to Michael Dukakis, but undermined the Democrat with a ruthlessly negative campaign.

Similarly, in 1992 the polls predicted a Labour victory over Mr. Major, but Tory ads spurred a wave of last-minute fears that taxes would rise and government spending soar under Labour's Neil Kinnock, giving the Conservatives an upset win. But since then, it has gone steadily downhill.

In this campaign, Mr. Major has been as unsuccessful in shaping the agenda or putting Mr. Blair on the defensive as Mr. Dole was with Mr. Clinton six months ago. Even though the robust economy should favor him, Mr. Major has been undermined by past bobbles like the slow response to the outbreak of "mad cow" disease and the waverings in his government's monetary policy.

And just as Mr. Dole, as Senate majority leader, was unable to restrain the headstrong Republican freshmen from overplaying their hands in 1995, so Mr. Major has been unable to keep his party from self-destructing in a wave of policy blunders and scandals.

Any American reporter knows that successful acts of defiance by rebellious members of a presidential candidate's own party are a near-certain sign of disaster for him. When Representative Newt Gingrich led a successful rebellion against the Bush budget and tax increase in 1990 and forced Mr. Bush to recant his "apostasy," it was the beginning of the end for Mr. Bush. And when the Republican platform committee in San Diego in 1996 refused to accept Mr. Dole's "tolerance" language in the abortion plank, it sent the same message.

Normally, we think of British parties as being much more disciplined. But in this campaign, more than 200 Tory members of Parliament defied Mr. Major's "wait and see" policy and pledged to their constituents that they would never accept the proposed single European currency as a substitute for the British pound, sterling. Mr. Major, scrambling to catch up, belatedly promised that these "Euro-skeptics" would be free to vote their conscience rather than follow his lead if the issue ever came before Parliament, allowing Mr. Blair to gibe that "if he cannot lead his party, how can he lead the nation?"

Both Mr. Dole and Mr. Bush can sympathize with what Mr. Major faces.

The Washington Post.

Counting the Days to Defeat

By Maureen Dowd

COVENTRY, England — John Major peered at leather swatches in teal, oatmeal, cream, coffee and warm charcoal.

"Fascinating," he murmured.

Touring the Jaguar plant here to show that British industry is thriving (though Jaguar is owned by Ford), Mr. Major examined lube routines and petrol pump modification data before moving on to interior trim — trailed by an unwieldy mob of wife, press and advance staff.

"It's interesting," Mr. Major said, gazing at leather, "because when you see the trim on a car, you don't know where it comes from or how it's cut."

Poor prime minister. Welcome to the world of American-style politicking, where you learn stuff you never wanted to know in excruciating detail in return for a couple of seconds on the news.

The tabloid reporters were so bored they wondered if they could make something of Mrs. Major's recycled outfits. "Sad Secrets of Norma Major's Dresses," ventured one.

Mr. Major has an owlish expression, and a cat mouth that curls up slightly at the edges, giving the impression that he's dryly amused, even when nothing amusing is being said.

The nice John Major reminded me of the nice George Bush in that last weekend of the '92 race, when the president finally realized he would never catch up to his younger rival. The prime minister, however, can't blame a bad economy. Britain is sizzling, from fashion to business. "We even had 'The English Patient,'" said one frustrated top Tory. (Though Disney got the profits.)

Just as George Bush seemed to shrink around Ronald Reagan, so Mr. Major fades to gray when the gloriously mad Margaret Thatcher steams into view, clutching her famous clarity and her famous handbag.

When the two appeared together in northern England, they conjured up the image of Norma Desmond and her chauffeur in "Sunset Boulevard." When Baroness Thatcher planted a cherry tree, she shoveled dirt onto Mr. Major's shoes.

Mr. Major also fades to gray on his own. Tony Blair is considered programmed and unctuous, and reporters like the low-key Mr. Major, because they think he is being himself. But his party has been in since Jimmy Carter, and people are bored. One of the more scintillating Tory slogans, referring to the recession, is: "Yes, it hurt. Yes, it worked."

The prime minister has been unable to get much traction painting Mr. Blair as someone too weak to stand up to the French and Germans — a Tory ad had a tiny Mr. Blair sitting on Helmut Kohl's lap — because Mr. Major himself can't get control of his squabbling lieutenants.

Mr. Major has tried a little of Mr. Blair's "trust me" routine. "Know this: I will always deal fair and true," he said. But mostly, he is trying to be a modest man. He rejected the pleas of his ad guru, Lord Saatchi, for a final blitz, fearing it would smack of panic and break the budget.

His only hope is that Mr. Blair starts acting hubristic, as Neil Kinnock did in the last election. Unlikely. Mr. Blair's interview with The Times of London on Friday was so relentlessly cautious it merited the headline: "Blair waits to unwrap the train set."

The New York Times.

Washington Should Cut the Deficit, Not Raise Interest Rates

By Norbert Walter

FRANKFURT — While most countries are striving hard these days to generate growth in their economies, the United States is fortunate enough to be pondering the opposite problem: how not to have too much of it.

As a result, the stock market and indeed the entire nation hang on every word uttered by Alan Greenspan, the Federal Reserve chairman.

People worry about the effect of higher interest rates — the Fed's strategy for slowing growth — on their personal investments.

What is truly bewildering, at least to the eyes of an outsider, is how easy it would be for the United States to kill two birds with one stone. Textbook economics provides the perfect solution: Cool the economy a bit by making immediate and meaningful budget reductions.

The problem is that Republicans and Democrats, after joining forces in the last few years to make deficit reduction a chief priority, are now reluctant to make the cuts. The Democrats are keen to delay deep cuts in spending, while Republicans want to take advantage of the favorable economic climate to emphasize tax-cutting instead.

Yet not many Americans seem to want or expect any tax cuts right now. Furthermore, as virtually everybody agrees, at some point even the gloriously performing U.S. economy will encounter another recession — perhaps within the next few years.

As finance ministers and budget officials all over the world know, the ideal time to administer pain in the economy is right after an election. This gives voters ample time to forget the hardships, because the economy will have sufficient time to bounce back before the next national campaign.

Using budget cuts rather than interest rates to tame growth is also sounder economic policy. Higher interest rates stifle business investment and make home mortgages more costly.

What's more, only budget-trimming, with its reduced government borrowing, can bring down real interest rates — ideally, to where they were before the debt-ridden 1980s.

(Real long-term interest rates are now at about 4 percent — a full percentage point higher than they were in the 1960s, when the American economy was doing as well as it is now.)

From an international perspective too, budget-cutting is better than interest rate increases. These days, prospects for global growth are closely intertwined with how the United States manages its economy. In the hyperlinked financial markets, there is a danger that if interest rates soar in the United States, rates in other countries will also rise.

The emerging markets in Latin America and Asia are critical areas that could suffer as a result. To attract investors, nations in these regions would have to raise their own rates.

Most of the world — with growing budget deficits and high unemployment in many places — can only dream of having the problem faced by the United States: whether to sacrifice political expediency for reasons of economic timing.

In Washington, all it would take is for the politicians to apply the time-tested principle of imposing limited pain as early in a new term as possible, preferably while the economic sun shines brightly.

Then the United States can further extend its lead in the global race to create the most vibrant national economy.

The writer, chief economist of Deutsche Bank, contributed this comment to The New York Times.

A Journalist Silenced in Nigeria

By Josh Arinze

WASHINGTON — Eight Nigerian journalists are in prison. Four are serving 15-year jail sentences imposed two years ago by the regime of General Sani Abacha. All were sent to prison after a secret trial by a military tribunal — with no defense lawyers and no rights of appeal.

I happen to know one of the journalists rather well; we used to share the same newsroom, and he's a close friend. George Mbah, 34, joined the staff of Tell, a Nigerian news magazine, in February 1993. It was an exciting period. The country was in the final stages of a long-running transition to democracy aimed at ending nearly 10 years of military rule. All over Nigeria, political parties were campaigning at a furious pace. It was a great time to be a political reporter.

The presidential election, crowning event of the transition, was scheduled for June 12. About 10 days before that, Mr. Mbah traveled from Lagos to the far northeast to interview the running mate of one of the presidential candidates. The bus he was riding in crashed. At least four people died. Mr. Mbah ended up in the hospital with serious head injuries.

Mr. Mbah came back to work the week after he left the hospital in December 1993. Despite his continuing shaky health, his only complaint was that he had missed out on the previous six months, during which Nigeria went from the June election to the cancellation of its results, to the "stepping aside" of the military ruler who had ordered the cancellation, to the installation of his handpicked civilian successor and finally, in November, to the shoving aside of the civilian successor by General Abacha.

Such was the political situation when on May 5, 1995, Mr. Mbah was arrested in the Lagos premises of Tell magazine by soldiers from the Directorate of Military Intelligence, one of the many arms of the sprawling security system that keeps the Nigerian armed forces in power.

Most editors, as they have to do during such "visits," managed to escape the compound. But Mr. Mbah was taken away. Neither his wife nor any of his colleagues have seen him since. Nor has Ebubechukwu Yemisi, his daughter, two months old at the time.

Letters sent to the government appealing for Mr. Mbah's release were ignored. When Bose, Mr. Mbah's wife, visited the military intelligence headquarters, the officers threatened to arrest her, too. They refused to accept a fresh supply of his medicine.

In the newsroom, the only clue anyone had as to the reason behind the arrest was that the officer who led the team was complaining about an article that had appeared in Dateline, a sister publication, about a coup plot the Abacha regime said it had detected. Many Nigerians doubted the regime's assertions, and many public figures openly expressed those doubts. Tell and Dateline duly reported them.

In August 1995, the regime announced that a secret military tribunal had convicted up to 40 soldiers and civilians in connection with the coup plot. Among them were four journalists who received 15-year jail terms for "complicity": George Mbah of Tell; Christine Anyanwu, publisher of the Sunday Magazine; Ben Charles Obi, editor of Classique weekly; and Kunle Ajibade, editor of The News magazine. Each of these publications had reported on the widespread doubt about the authenticity of the regime's coup plot claim.

Over and above the sadness about his confinement in prison for two years now, Mr. Mbah's friends are afraid for his life. He was in fragile health even before his arrest. Prison conditions in Nigeria are very harsh. And there is much reason to fear that unless he is released soon he might not make it out alive.

The writer, a Nigerian-born journalist, contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Grant Honored

PARIS — The Times' New York correspondent described the Grant celebration saying: "Its true significance is something more than that personal soldiers of the dead Confederacy took part in honoring the memory of the soldier who crushed the Confederacy. The widow of the dead President of the Confederacy was present, Southern leaders and statesmen joined in this homage to Grant just as heartily as the Northerners. This time the war is really over. It was Grant himself who said: 'Let us have peace.' Today his wish is accomplished."

1922: 'Too Attractive'

PARIS — London has not finished with its controversy over policewomen. One fundamental reason of the reactionary move to exclude women from the London constabulary is their desire to look attractive which does not rhyme with the "terrors of the law." The British authorities doubtless think that the more attractive the policewoman the less her usefulness. And what true woman would be content to be classed among the less attractive?

1947: Africa's Amity

KONAKRY, French Guinea — Uncle Sam has made good friends of West Africa's natives. So keen is pro-United States sentiment that Communist party organizers tell tribal chiefs that by voting for the Communist they are voting for the arrival of Americans. Explanation of this attitude lies in the good work performed by American missionaries, in the popularity of American goods and in the conviction that every concession granted the natives by the French was made at the behest of the late President Roosevelt.

مكتبة من الأحرار

LANGUAGE

If You've Got It, Don't Flout It

By William Safire

WASHINGTON — "Oscar Wilde was jailed, exiled and ruined," wrote John Lahr in The New Yorker, in a piece about Woody Allen, "for flaunting sexual convention offstage as brazenly as his epigrams undermined social convention on it."

That's a finely honed sentence, contrasting differing conventions by stressing the adjectives *social* and *sexual* and playing the syllable *off* against the concluding stressed word *on*. Even the de-emphasized last pronoun *it* was well chosen, because its alternative — *onstage* — would have made the sentence too determinedly balanced.

Only one problem: *flaunting* was a mistake.

To *flaunt* means "to display proudly, even ostentatiously," the way a peacock shows its feathers; indeed, an early use of the word in 1576 was set in the phrase "whose fethers *flaunt*, and flicker in the winde."

The word that fit the context of The New Yorker's piece on Allen was *flout*, which means "to jeer, deride, scoff at, show contemptuous disregard for," first cited in a 1551 translation of Sir Thomas More's "Utopia": "in moste spitefull maner mockynge ... and *flowtinge* them."

The substitution of *flaunt* for *flout*, a mistake made frequently enough, irritated Ann Kirschner of New York. "The New Yorker used to be a bulwark of elegant, not to mention correct, usage," she wrote the magazine. "Then, little by little, cracks began to appear in that edifice. With the substitution of the word *flaunting* for *flouting* ... the destruction is now complete."

That somewhat hyperbolic denunciation drew a cool reply from a copy editor. "Our use of *flaunt* is correct," insisted The New Yorker. "According to Webster's Tenth New Collegiate Dictionary, *flaunt* may mean 'to treat contemptuously,' which is the meaning we had in mind. The accompanying usage note points out that, although this use of *flaunt* undoubtedly arose from confusion with *flout*, the contexts in which it appears cannot be called substandard."

Kirschner took that to be a throwing-down of a *gauntlet*. (Or, as they might now say at The New Yorker, of a *gantlet*.) What do readers do when good usage gives way to common usage — when error triumphs, dictionaries drop the standard, things fall apart and the center cannot hold? They come — in high dudgeon, puzzlement, sometimes whimpering in pain — slouching to language mavens for support or solace.

Ann, your little friends are wrong. They have been affected by the skepticism of a skeptical age. R.W. Burchfield in the latest Fowler's Modern English Usage says that "*flaunt* is often wrongly used for *flout*." And in that very usage note cited to you by The New Yorker, Merriam-Webster goes on to say: "If you use it, however, you should be aware that many people will consider it a mistake."

That warning label is expounded by E. Ward Gilman in Merriam-Webster's Dictionary of English Usage: "This is one issue about which there is no dissent among usage commentators. All of them regard the use of *flaunt* to mean *flout* as nothing less than an ignorant mistake. ... Even those commentators who are relatively liberal in other matters take a hard line when it comes to *flaunt* and *flout*."

Throwing down the gauntlet (or perhaps they might say gantlet) to The New Yorker.

The mistake is undoubtedly alive and well, made every day, but even Gilman opines that "we think you well advised to avoid it, at least when writing for publication."

What, then, is The New Yorker — in whose pages some of our best authors write for publication — to do? Brazen it through? Ignore the whole thing, secretly placing both *flout* and *flaunt* on the magazine's taboo list? Turn upon and savage its own copy-editing department, causing much internal anguish at a management that won't stand up to fuddy-duddy grammarians and semantic stiffs?

When does the frequency of error reach critical mass and transform the mistake into a "new sense"?

Should we, for example, preserve the distinction between *gantlet*, "a punishment run," and *gauntlet*, "a heavy glove sometimes thrown down in challenge"? Do only pedants insist on *masterly* to mean "skillful" while *masterful* means "domineering"? Is it worth breaking our heads to remember *continuous* as "incessant, uninterrupted" while *continual* is "repeated with brief intermissions"? Where is it written that *refute*, "to disprove by argument," must never be used as a synonym for *deny* in its sense of "to declare untrue"?

Right here is where it's written, in the animadversive annals of the defenders of distinctions. We prescriptivists are aware that semantic shift is a signal called by the living language; we lie on Jespersen's couch of metanalysis as *a napron* becomes *an apron* through repeated error over the centuries. But we ask, Why should the slurring of sharp lines of definition take place on our watch? A *stalactite* won't become a *stalagmite* in our time, no matter how lost we get in the Luray Caverns.

Fearlessly do we *flaunt* our gauntlets before flinging them down in challenge to the louts of *flout*. They may be in denial, but we're in *refutation*.

New York Times Service

BOOKS

MASON & DIXON

By Thomas Pynchon. 773 pages. $27.50. Henry Holt.

Reviewed by Michael Dirda

SHORTLY after "Gravity's Rainbow" appeared in 1973, Thomas Pynchon reportedly signed a contract for two future books. One was tentatively titled "The Japanese Insurance Adjuster"; Pynchon scholars such as Edward Mendelson have speculated that parts of this book may have been cannibalized for "Vineland" (1990). When that serio-goofy California novel appeared, many readers felt more or less disappointed: For all its merits, "Vineland" just couldn't be the awesome masterwork that Pynchon fans were patiently awaiting.

Obviously, it was a breather, the analogue to the novella-length "Crying of Lot 49" (1967), which the reclusive author brought out between his ambitious first book, "V." (1963), and his youthful summa of modern history and culture, "Gravity's Rainbow."

The other novel, envisioned nearly a quarter of a century ago, was at that time called "The Mason-Dixon Line." Did Pynchon, who will be 60 on May 8, then know how many years he would devote to this project? Did he, as rumor has it, actually walk the entire line, the boundary between Maryland and Pennsylvania established in the 1760s by astronomer Charles Mason and surveyor Jeremiah Dixon? He certainly must have spent considerable time in libraries, mastering the arcana of surveying and early modern science, picking up the contemporary lingo of sailors, fops, Quakers, Dutch businessmen, preachers, Indians, slaves, colonial farmers, whores and Philadelphia lawyers, gathering folktales and historical anecdotes, above all, sucking in the flavor of 18th-century speech, acquiring a bone-deep feel for its sentences.

The long-anticipated result, "Mason & Dixon," proves a dazzling masterpiece of imaginative re-creation, a marvel-filled historical novel, set largely in colonial America, but with extended side trips to England, South Africa and the island of St. Helena. In its pages Pynchon sets the reader down in a bustling world where bewigged men of science believe in ghosts and magic, where geometry may butt up against ancient myth, where dogs talk and Golems stride through the wilderness and Jesuit agents are masters of guile and disguise.

There are thrilling escapes, melodramatic revelations, glimpses of the great (Ben Franklin, Samuel Johnson), much reflection on death, dozens of songs (a favorite Pynchon device), and the steady growl of colonial complaint against King George and his rule. Not least, though, "Mason & Dixon" is a paean to friendship, a buddy book about an English Don Quixote and a Scots Sancho Panza at large in the New World, a 1760s "On the Road."

Though daunting in appearance — the text is stippled with capitalized nouns and strange words — the novel is in fact fairly accessible and exceptionally funny, ever the saving grace of big demanding novels. Pynchon's humor takes many forms: puns, anachronisms, mimicry, in-house jokes, pastiche. Two ships, for instance, are named the HMS Inconvenience and HMS Unreflective.

Deftly mixing past and present, Pynchon frequently takes familiar proverbs and gives them a periphrastic, neoclassical spin: "this island ... not ev'ryone's Brochette of Curried Albacore, is it?"; "Inexpensive Salvo"; even the Laurel and Hardyesque "Another bonny gahn-on tha've got us into ..." There are the usual funny names — the Reverend Wicks Cherrycoke, the Redzinger family — and an aunt who tells her nieces and nephews tall tales about her wild youth: "'Twas given me by the Sultan. Dear Mustapha, 'Stuffy,' we called him in the Harem chambers, amongst ourselves." Pynchon also periodically drops in a bad pun: "'Sari,' corrects Mason. 'Not at all Sir, — 'Twas *I* who was sarong.'"

IN general, "Mason & Dixon" follows the actual events of its heroes' professional lives pretty faithfully — but makes sure that the duo bump up against a steady parade of eccentric, Monty Pythonesque characters, most with stories to tell. The Thermos bottle, pizza, shopping malls, and the self-winding watch make their American debuts. As it happens, miles into the wilderness, the survey team and its axmen encounter a case of — "'Kastoranthropy,' Professor Voam shaking his head, 'And haven't I seen it do things to a man. Tragick.'" Seems that people suffering from this malady turn into giant beavers during the full moon. Naturally, the wife of the Were-Beaver soon instigates a contest between her husband and blond Stig to determine who can fell the most trees during a moonlit night. Huge bets are placed. Alas, the astronomers fail to remember the scheduled lunar eclipse, with disastrous consequences. About this time they also learn that Stig is not really a Swede but a mysterious Northern being who has mastered the subtle art of "impersonating a Swede." "Is ours not the Age of Metamorphosis, with any turn of Fortune a possibility?"

No Thomas Pynchon novel is authentic without its dollop of paranoia. "Mason and Dixon" speculate constantly about whether they are being manipulated by their superiors in Britain, or by Providence, or by other, stranger forces. The Indians speak of ancient Guardians; Dixon finds himself spirited away for a visit to the gnome-like creatures who inhabit the Hollow Earth; there are hints of aliens from outer space and a time when people could fly.

Division, boundaries, chains, lines — such visible and invisible constraints provide the central metaphor of the novel. The melancholy Mason is obsessed with his dead wife Rebekah, whose spirit occasionally crosses "that grimly patrolled Line, the very essence of Division." Slaves, in South Africa and America, are circumscribed in every aspect of existence; Dutch girls live constantly reminded "of the Boundaries there to be o'er stepped."

AT its climax, Mason and Dixon glimpse the edge of the Old America, a world of Indian mounds, magical Warrior Paths, giant vegetables, Telluric power sources, and invisible "Protectors." This experience of the "rapture of the west" never quite leaves them. It is, of course, an old dream: the prospect of an Edenic garden where the Fall never took place, the inviting legend of the Big Rock Candy Mountain, the recurrent sense that once, on these shores, mankind might have escaped some of the bonds and charters and boundaries that confined him elsewhere. "Mason & Dixon" transports us to the period when that mythic, natural geography — the realm of Vineland the Good — was first fading away, as surveyors divided the land and astronomers charted a sky across which there will all too soon come a certain hideous screaming.

Still, one mustn't end a review of this dark carnival of a book on a melancholy note. After all, Mason first meets his beloved Rebekah when he is nearly crushed to death by a gigantic cheese. When Dixon offers a toast "To the pursuit of happiness," a young man with red hair wonders if he would mind "if I use the Phrase sometime?" A politically incorrect colonist asserts that "Bodices are for ripping, and there's an end upon it." Even a colonial sampler reads EXPECT INDIANS.

In the pages of "Mason & Dixon" humor may surprise you anywhere: When Dixon angrily frees some slaves, he decides to whip, maybe even kill, their swaggering, foul-mouthed exploiter, who immediately crumples and pleads, "No! Please! My little ones! O Tiffany! Jason! ... Scott!"

You gotta love a book like that.

Michael Dirda is a writer and editor for The Washington Post Book World.

BRIDGE

By Alan Truscott

WHEN the bidding reached four spades, in the diagramed deal, after aggressive jumps by both players, South tried Blackwood. This is usually dangerous when holding a void, since the ace of the void suit is not a required element for slam purposes. The partnership was using the modern variety, Roman Key Card, with the provision that a five-club response showed one or four key cards, counting the trump king as one of five "aces."

North made this response, although it would have been wiser to bid six hearts, showing a void heart and one ace. South concluded that her partner held four aces and leapt to seven spades.

A grand slam missing three aces is a more plausible proposition than one missing four, and this contract hinged on the opening lead. If East had made a Lightner double to suggest a diamond lead, West would have known what to do. And a passive trump lead would have been effective, removing a crucial trump from the dummy.

But West selected the heart ace, correctly announcing as he did so "This is probably a mistake." South silently concurred in this statement as she inspected a dummy that contained one key card instead of the expected four. She ruffed low in dummy and led the club king, ruffing out East's ace. She then ruffed a heart and discarded her diamond loser on the club queen.

The hearts were now good, but South did not know that. She entered her hand by ruffing a club with a tight trump, and ruffed the heart ten with dummy's last trump. She then ruffed a diamond high and drew trumps claiming her grand slam.

NORTH
♠ A Q 2
♡ —
◇ Q 10 8 5 3 2
♣ K Q 10 9

WEST (D)
♠ 7 5
♡ A 8 6 2
◇ K J
♣ J 8 4 3 2

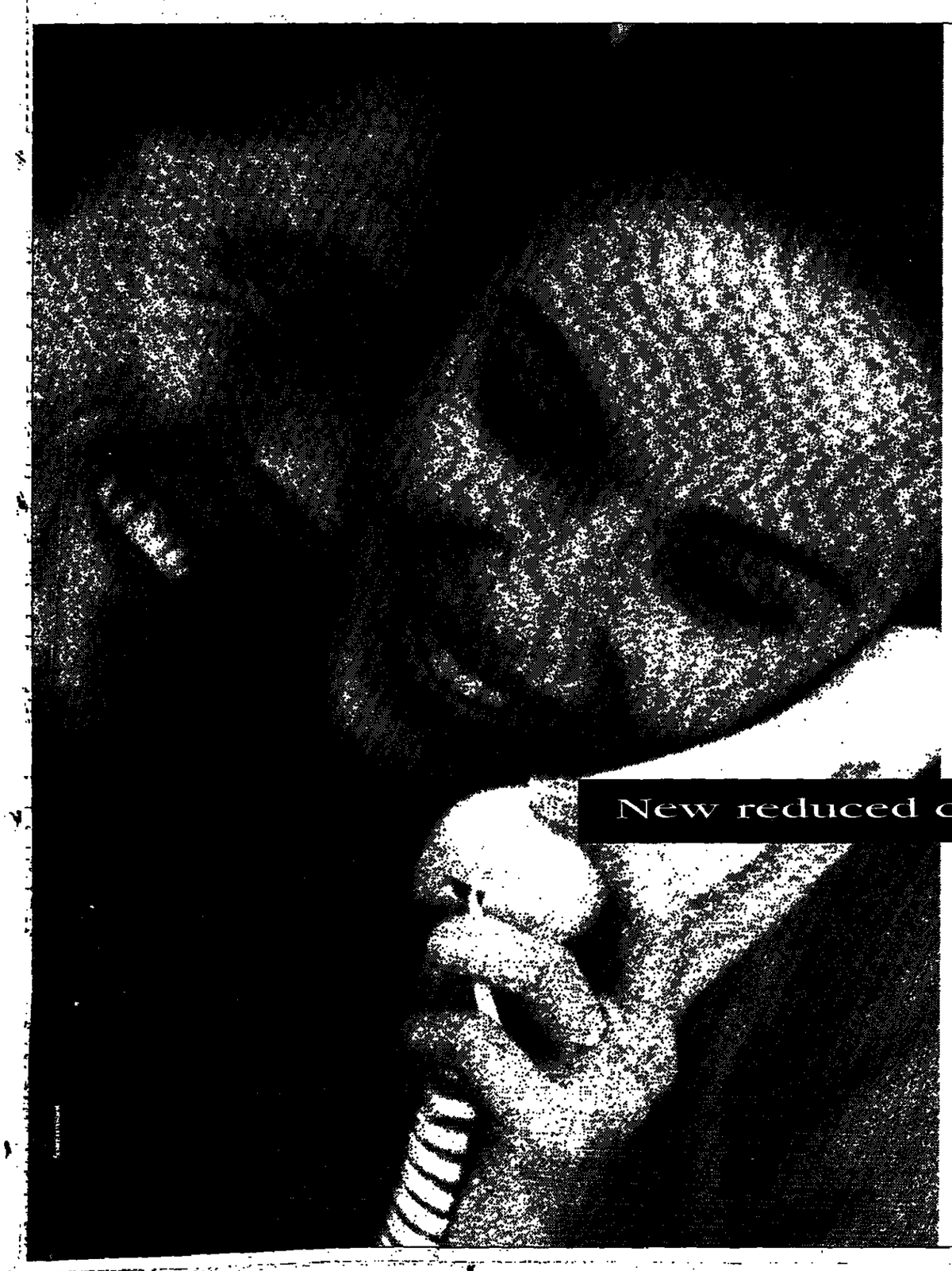
EAST
♠ 6
♡ J 5 4 3
◇ A 9 7 4
♣ A 8 7 5

SOUTH
♠ K J 10 9 8 4 3
♡ K Q 10 9 7
◇ 6
♣ —

Both sides were vulnerable. The bidding:

West	North	East	South
Pass	1 ◇	Pass	1 ♠
Pass	2 ♣	Pass	3 ♡
Pass	4 ♠	Pass	4 N.T
Pass	5 ♣	Pass	7 ♠
Pass	Pass	Pass	

West led the heart ace.



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Page 1
BRAZIL: Police Abuse...
(Continued from Page 1)
TURKEY: Government...
Continued from Page 1
CLINTON: Rally Bri...
Continued from Page 1

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INTERNATIONAL

Kabila Says He Traced Refugees

Compiled by Our Staff From Dispatches

KISANGANI — The Zairian rebel leader, Laurent Kabila, told United Nations and other officials Sunday that he knew the whereabouts of thousands of Rwandan refugees who have fled from camps in eastern Zaire, rebel officials said.

At a press conference later, Mr. Kabila said the United Nations had 60 days to repatriate all Rwandan Hutu refugees in Zaire "or we will do it ourselves."

It was not immediately known whether Mr. Kabila would permit supplies to be taken to the refugees.

He also said the United Nations should begin an airlift from Kisangani on May 1 of all refugees remaining in Zaire.

The rebel chief also said that he was seeking a personal apology from the UN secretary-general, Kofi Annan, for accusing his troops of deliberately allowing thousands of refugees to die.

He said his forces knew the whereabouts of more than 50,000 refugees who fled their makeshift camps south of Kisangani last week to escape attacks from local villagers.

Meanwhile, a group of 33 Hutu refugees who fled their camp when it was attacked last week were airlifted to Kigali in the first direct flight of refugees from Zaire to Rwanda.

UN officials said the 33 refugees, who fled the Kasese camp, about 35 kilometers (55 miles) south of Kisangani, flew home from a two-and-a-half year exile aboard a special flight.

"You certainly cannot say an airlift has started," one official said. "This is just one flight, but nevertheless a start."

Mr. Kabila agreed to a joint meeting with United Nations, European Union and aid officials after separate talks with individual representatives Saturday.

Earlier Sunday, rebel troops again blocked aid workers and journalists from traveling from Kisangani to areas where the refugees were believed to have fled, aid officials said.

Planes flying over dense forest south of Kisangani found little sign of refugees, although about 50 were ferried north across the Zaire River by villagers in dugout canoes.

UN aid agency officials on an overflight spotted several hundred people, probably Rwandan Hutu, gathered around 50 kilometers south of Kisangani, a UN official said. *(Reuters, AP)*



Mikhail Chernichkin/Reuters

NOT THE USUAL BUNNIES — Ukrainian artists lighting candles Sunday on traditional Easter bread for the Orthodox holiday, which coincided with the 11th anniversary of the fire at the Chernobyl nuclear plant.

REFUGEES: *'We're Catching Them and Killing Them'*

Continued from Page 1

ies or other firsthand evidence of massacres.

The rebel leaders have consistently denied killing any Rwandan refugees. Still, their rebel forces apparently see these hard-line Rwandans not just as refugees — although they use the word — but as guerrillas and legitimate targets.

The second war one encounters is the main one that has entangled all of Zaire: the civil war between the government soldiers of President Mobutu Sese Seko and rebels, led by Laurent Kabila, who are expected to eventually win.

The village of Bafwandu, 300 kilometers (188 miles) northeast of Kisangani by road, is a charred reminder of the way Marshal Mobutu's troops have sometimes carried out the fighting. About 500 people lived in the village when, the survivors say, government soldiers surrounded it on Jan. 25 and moved in at dawn.

They shot dozens of people, but the firing woke everyone up and sent families scattering for the jungle. The village is widely dispersed, so many people managed to escape, but various accounts suggest that from 52 to 70 people were killed and many others wounded.

"The soldiers went around firing and killing people all the way through the town, and then they rounded people up and locked them in a few houses and burned them down," said Michel Madidi, a 26-year-old farmer who said he hid in the bushes as the massacre began.

The final war in the region is the oddest but also the least threatening to most people.

It is the quixotic on-and-off conflict waged by Mai-Mai guerrillas, who hide in the jungle and smoke large quantities of marijuana. They sometimes raise money by banditry.

The Mai-Mai are particularly feared fighters because it is widely believed that they are impervious to bullets. The word "mai" means water in several local languages, and the bullets are said to turn to water before hitting the Mai-Mai.

Some people even believe that the Mai-Mai can fly through the air or accomplish other superhuman feats, and so the Mai-Mai seem to have sown special fear in the government troops. In several cases in this region, government forces fled at the first rumors that Mai-Mai were coming.

The Mai-Mai, or groups of them, have fought with almost everyone at various times, but at the moment they are mostly aligned with the rebels.

In the town of Mambasa, however, residents reported that there had been two armed clashes earlier this year between Mai-Mai guerrillas and the rebel forces. When the Mai-Mai were killed in these battles, it was said to be because they had not followed training properly.

In particular, it was speculated that they might recently have had sex, which, some Zairians say, destroys the Mai-Mai's protection from bullets for a day or two.

BRAZIL: *Police Abuse, As Seen on TV, 'Can Happen to Anybody'*

Continued from Page 1

the police abused are a cross-section of Brazilians, white and black and of mixed race, poor and middle class — anonymous citizens stopped simply because they used Naval Street as a shortcut.

One of the first to be abused was Silvio Calixto Lemos, who on March 3 was slapped and then ominously led out of camera view, where the serious beatings took place. The officer in charge, Octavio Lorenco Gambra, whose nickname is Rambo, gave his partner, Nelson Soares di Silva Jr., a nightstick. The viewer catches glimpses of the beating by Mr. Soares, but for about 30 seconds all that is heard are Mr. Lemos's cries.

At midnight March 6, three people were ordered out of a car — Antonio Carlos Lias, Jefferson Sanches Caput and Mario Jose Josino. Mr. Sanches, an accountant, angered the officers by asking why he had been stopped. He was struck by Mr. Gambra and by Mr. Soares, who directed his riot stick at the soles of Mr. Sanches's feet.

"They had the audacity to take off his shoes and hit him in the soles of his feet," said Jose Carlos Blat, the prosecutor in the case. "The barbarism is astonishing."

The officers hit Mr. Sanches 39 times in eight minutes, at times so bored that they struck him without enthusiasm.

"There was no logical explanation," Mr. Sanches said. "They were treating me like I was an animal."

Eventually the three victims were allowed to get back into the car. Mr. Sanches later said he had asked the officers for the number of their squad car. Mr. Gambra shot twice at the car's rear window as it pulled away, striking Mr. Josino in the back and killing him.

The shooting was reported that night, but no police investigation was opened. Then the tape was given to prosecutors and the television network Rede Globo.

The recognition that it could happen to anybody has led to some soul-searching in Brazil, particularly in Sao Paulo. The awareness of such injustice has made long-delayed reforms in the judicial system and in the police force a priority.

"There are parts of society who defend, sometimes implicitly, police who exterminate bandits, criminals, suspects," Mr. Marrey said.

News that the police department here is not only inefficient but occasionally murderous is not new. In the wake of the video's release, Human Rights Watch Americas rushed out a report it had been preparing for months on police violence in Brazil, in which the group concluded that officers in major urban areas "often kill without justification" and that society's failure to curb this tendency in effect encouraged police to be abusive.

But the tape has accomplished what no scholarly study or human-rights complaint was able to do during the many years that organizations have tracked violence in Brazil. What had been simply a collection of statistics suddenly became wounded flesh and fresh blood.

In Sao Paulo alone, police killed 2,203 people between 1992 and 1996.

The 10 officers indicted as a result of the tape are a symptom of what Wilson de Oliveira Morais, the director and president of the 45,000-member military police association of Sao Paulo, called "an ailing force" — a corps where alcoholism is prevalent, one out of every four officers has lost time because of stress and 37 percent have psychological problems.

Underpaid, overworked and outgunned, the cop on the street often turns violent. Mr. Morais warned state officials last year that low salaries and other factors were increasing delinquency on the force at an alarming rate.

TURKEY: *Government Struggles to Survive Military Pressure*

Continued from Page 1

accepting the hospitality of the conservative Saudi government.

The resignations of the two cabinet members came as Turkey's senior military and civilian leaders, including Mr. Erbakan, gathered in Ankara for what was seen as a crucial meeting of the National Security Council.

"There are some developments in our country against the basic constitutional principles of our republic," said the chief of the general staff, General Ismail Hakki Karadayi, as he entered the meeting.

He said no Turk could remain "impartial in the face of this."

Mr. Erbakan came to power in June after an election in which his Welfare Party, an Islamic party, won less than 22 percent of the vote. He formed a coalition with the True Path Party headed by Tansu Ciller, who became his foreign minister.

Military commanders have come to detest both Mr. Erbakan, whom they view as having a hidden agenda aimed at destroying Turkish secularism, and Mrs. Ciller, whom they consider corrupt.

Last week, a handful of Prime Minister Erbakan's supporters in Parliament said they were preparing to defect from the coalition to bring down the government by leaving it without a parliamentary majority.

Their leader, Aydin Menderes, a deputy chairman of the Welfare Party, has told associates that he feared a military coup if the government was not brought down democratically.

"He's saying that something has to be done to avoid a huge explosion," one of Mr. Menderes's friends said in an interview. "He sees two trains running on a track toward each other, and he doesn't want to stand by and allow a crash."

Mr. Menderes has a special reason to fear the results of a coup. His father, Adnan Menderes, was president of Turkey in 1960 when the military carried out a coup and was later hanged along with several members of his government.

As it has seemed more likely that the government was approaching collapse, Mrs. Ciller has scrambled to join negotiations with other parties. The two ministers who resigned Saturday have strongly criticized Mrs. Ciller for refusing to demand that Mr. Erbakan keep the secularist promises he made in February.

Among those promises were to cut the number of students being trained at religious academies, crack down on Muslim groups who are believed to be accumulating weapons, close unlicensed Koran schools and end his party's recruitment of officers dismissed from the army because of their fundamentalist sympathies.

Turkish newspapers have been predicting Mr. Erbakan's fall. Even some commentators who have supported Mr. Erbakan until now are reconciled to the prospect. One of them, Ilnur Cevik, wrote a column that sounded like an obituary of his government.

"The masses who make up more than 70 percent of the electorate do not trust Welfare," he wrote of the prime minister's party. "Welfare not only failed to undertake any reforms, but, on the contrary, gave the impression of covering up serious corruption charges."

CLINTON: *Rally Brings Plea for Volunteers*

Continued from Page 1

right knee. Mr. Clinton planed his crutches against a wall and, standing unaided, used a paint roller on an extended handle to lather the wall with beige paint.

With Hillary Clinton, a longtime advocate of programs for poor children, he sat down with a group of 5-year-olds and read to them.

The gathering brought a rare show of presidential power, with Mr. Clinton, Mr. Bush and Mr. Carter attending the rally and former President Gerald Ford and Nancy Reagan, the wife of former President Ronald Reagan, to join them Monday.

It placed Mr. Clinton side by side with Mr. Bush, the man he removed from the White House in 1992 and whose "Thousand Points of Light" volunteer initiative he ridiculed during that election.

The meeting also put Mr. Gore next to Mr. Powell, the Republican he ardently hopes will not run for the presidency in 2000.

Mr. Bush, Mr. Carter and Mr. Powell fanned out to different parts of the city to lead clean-up patrols, with the former chairman of the Joint Chiefs of Staff picking up trash and liquor bottles in a derelict lot near a house used by addicts of "crack" cocaine.

At the rally, Mr. Clinton said the Defense and Transportation departments would each tutor 1 million children over the next four years, while the government would adopt 2,000 schools.

He also proposed exemptions on interest on student loans for young people who committed to a year of volunteer work.

Mr. Clinton, in an interview for a Sunday television program, said the proposal he would introduce Monday in Congress calls for young people, supported by their churches, to donate a year of full-time work in community service.

The program would cost only a few million dollars, he said, and "will be worth hundreds of millions of dollars in time, volunteers, public interest advance."

In contrast, the five-year "America Reads" program, aimed at ensuring that third-graders can read, would cost an estimated $2.5 billion. It would attempt to mobilize 1 million volunteer tutors, provide $300 million for programs to help parents help their children and expand the Head Start early schooling initiative.

Despite the demonstration of support from across the political spectrum for the conference, some bristled at the government's encouraging people to volunteer.

Several dozen students protested at the stadium with signs reading, "Don't Volunteer Me." *(Reuters, AP)*

G-7: *Leaders Focus on Dollar*

Continued from Page 1

makers are complaining that the dollar's strength is making it difficult for them to export their products.

Japan's trade surplus with the United States had been narrowing since 1991, though that pattern may now be over. The surplus rose 11.2 percent in March, to 379.83 billion yen ($3.01 billion).

In a meeting with Mr. Rubin on Sunday, Mr. Mitsuzuka reaffirmed Japan's commitment to fostering domestic demand-led growth and to avoiding a significant increase in Japan's trade surplus, said Michelle Smith, a spokeswoman for Mr. Rubin.

Mr. Mitsuzuka said Japan would seek to promote economic recovery led by domestic demand and to avoid a "significant" increase in its trade surplus.

He added that he had asked Mr. Rubin to ensure that the United States continue on a path of sustained growth with low inflation. Mr. Rubin in turn welcomed the steps Japan has taken to reform its banking system and strengthen its financial institutions, Ms. Smith said.

Keeping exchange rates where they are is vital for Germany's chances of growth this year because its economy is still being driven by demand from overseas markets. A weak mark has brightened business confidence and has helped profit growth among the country's biggest companies.

Mr. Tietmeyer said the German central bank would use its interest-rate policy to make sure the mark did not deteriorate further.

While import prices were pushed higher by the mark's decline in the first two months of the year, consumer inflation has been held down by the fragile state of the domestic economy in Germany. *(Bridge News, AP, Bloomberg)*

FAMINE: *Korea Is Desperate*

Continued from Page 1

now, bringing them across this island," said Liu Dunping, the trader, pointing to tire treads in the sand.

Until last year, residents in Chinese border towns say, it was inconceivable that a North Korean guard would allow anyone to cross from China without clearance in advance. Now, Chinese traders, many of them selling grain in exchange for copper scrap, go every day.

On Lee Island, the peasant women simply looked down at their feet when asked questions. The reaction was not surprising, because an accusation of a crime as serious as telling state secrets to a foreigner can provoke an entire family's removal to a poor area of the interior.

Chinese traders who travel farther inside the country, mostly selling flour, return with tales of human horror.

"You see women standing in front of their homes with a daughter, hoping you will stop and buy her," said Yang Xiaoyang, a truck driver in the nearby border city of Dandong, who recently returned from a day trip to North Korea. "It's worse than last year, and that was bad already. People you see on the side of the road are skin and bone. If you stop, men come up to you and ask for liquor, even when their families have no food."

Mr. Yang said his fellow drivers compared horror stories, all second-hand and impossible to confirm, of wandering packs of children who fight each other for a scrap of food, of drunken soldiers shooting farmers for a potato, even of men killing their wives or children to sell the flesh off their bones.

"It's like our 'three disastrous years,'" said Mr. Yang, referring to the famine that wiped out 30 million Chinese in the early 1960s. "Terrible things happen when people get hungry."

Now that even North Korea's usually untalkative leadership is admitting to severe food shortages, aid groups are shipping emergency supplies. United Nations officials estimate that the nation's grain shortage will reach more than 2 million tons this year.

Washington recently announced that it would send an additional $15 million worth of food, in hopes of luring North Korean officials into talks with South Korea, the United States and China to negotiate a formal peace treaty for the Korean War that ended in 1953. China also announced new donations of 70,000 tons of grain.

The famine is unlikely to be solved by one-time shipments of food, especially when it is hard for donors to be sure that the food actually gets to the needy, given the likelihood of profiteering and speculation.

By all accounts, the economy is falling apart in North Korea, where the government's health has been steadily declining since 1991, when the Soviet Union collapsed and stopped sending subsidies.

Many residents in the area say that Chinese border guards often choose not to look for refugees from North Korea, partly out of compassion for their suffering but also from an unwillingness to deal with the paperwork and bureaucratic responsibility involved in returning them.

Chinese in this area seem to be split among those who are sympathetic to their Korean neighbors, and others who resent the Chinese government's long-standing support of North Korea and resistance to ties with South Korea until recent years.

"Why did we have such bad luck, getting North Korea as a neighbor?" asked Wang Liping, who runs a restaurant in Dandong. "If we were next to South Korea, just think how much richer we would be."

BRIDGE: *Feting Link to Asia*

Continued from Page 1

the night sky. Out in the bay bobbed a flotilla of boats.

Anxiety about security ran high after cables at the bridge were cut by saboteurs or vandals this month.

Vandalism is unusual in Hong Kong, and no explanation has been offered for the slashing of the fiber-optics cables.

Though not holding the record of the world's longest suspension bridge, the Tsing Ma bridge is the longest road-rail bridge, satisfying Hong Kong's obsession with superlatives.

Hong Kong people love to boast of having the world's longest outdoor escalator, the world's busiest container port, and of holding the record for the greatest number of Rolls-Royce cars per capita.

For Hong Kong, the $920 million bridge, built by a Japanese-British joint venture and partly assembled in China, marks more than just an engineering feat. The completion on schedule of a vital element in the airport project represents a practical victory over the political dispute that has dogged Chinese-British relations on Hong Kong.

China denounced the project as extravagant and accused the British of trying to squander Hong Kong's wealth.

The bickering dragged on for more than five years before agreement was finally reached in 1995. In the meantime, the Hong Kong government quietly got on with the work.

Lady Thatcher said there was no better symbol than the bridge of "the boldness, the vision, and the energy of the people of Hong Kong."

She urged those who questioned whether Hong Kong would continue to prosper in the future to "come and see this bridge, one of the foremost monuments of our time, and put your confidence in the people who built it."

(Reuters, AP)

Italy's Local Elections Test Support for Prodi

Reuters

ROME — Voters in Milan, the Italian financial capital, and more than 1,100 towns and cities went to the polls Sunday for local elections billed as a test of support for the center-left government.

The elections for mayors and municipal councils, involving about 9.4 million voters — one fifth of the national electorate — come a year after Prime Minister Romano Prodi led his Olive Tree coalition to victory in a general election.

The key mayoral battles, in Milan and the big northern cities of Turin and Trieste, are all expected to be decided in second-round run-offs May 11. Official results are not expected before Monday.

The government's popularity has suffered in recent months from resentment at tax increases aimed at cutting the budget deficit, a criterion for Europe's single currency.

The Italian government has sought to divorce itself from the municipal polls, its performance clouded by a battle of wills between centrists in the coalition and the leftist Communist Refoundation party, which provides Mr. Prodi with his majority.

"There is no link between this vote and the government," L'Unita, the newspaper of the Democratic Party of the Left, said in an editorial.

But most other editorial writers and the main opposition center-right Freedom Alliance saw the vote as a barometer of public sentiment on the Prodi government.

In Milan, where a bomb went off at city hall Friday, the contest for mayor is between the industrialists Gabriele Albertini of the Freedom Alliance and Aldo Fumagalli of the Olive Tree coalition. The incumbent, Marco Formentini of the separatist Northern League, is expected to lose.

BRIEFLY

Cairo Seeks to Prod Peace Talks

CAIRO — President Hosni Mubarak has begun a drive to mobilize the Arab world and overcome the deadlock in Middle East peace talks, for which the policies of the rightist Israeli government have been blamed, Egyptian officials said Sunday.

President Hafez Assad of Syria is expected in Cairo within the next few days for discussions with Mr. Mubarak on the peace process, the Middle East News Agency said, amid reports in the official press of a four-way summit meeting here.

Egypt's government newspaper Al Ahram said the talks would include Mr. Mubarak, Mr. Assad, King Hussein of Jordan and Yasser Arafat, the Palestinian leader. But a Palestinian official said there would be no such meeting during Mr. Assad's visit to Egypt. *(AFP)*

Iraq Hails Airlift as Victory

BAGHDAD — Iraq celebrated Sunday after safely flying home Muslim pilgrims, in defiance of U.S.-enforced exclusion zones over the north and south of the country, without any retaliation from Washington.

"Helicopters carrying sick and elderly pilgrims arrived Sunday morning," the official press agency INA said. The Iraqis were flown in after the annual Muslim pilgrimage to Mecca in Saudi Arabia.

Baghdad, which in September said it would no longer recognize no-flight zones, set up in 1991 after the Gulf War, has hailed the flights as a victory. *(AFP)*

For the Record

The Clinton administration has been debating proposals to impose stringent economic sanctions against Mexico's biggest drug traffickers. *(NYT)*

In this Tuesday's

Style

Spring in your Step?



Dressing for fashion's four seasons

Herald International Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

THE WORLD'S DAILY NEWSPAPER

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, April 25

Continued on Page 15

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SPONSORED SECTION

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BUILT FOR BUSINESS: SINGAPORE



R. IAN LLOYD

Along the Singapore River, residents and visitors take a break at a high-tech café. The island-state has one of the highest material standards of living in Asia. Now the government is encouraging Singaporeans to develop a high non-material quality of life as well. People are encouraged to develop leisure interests while remaining diligent and economically competitive.

PRIME MINISTER WANTS 'SINGAPORE WITH A SOUL'

The country's leader would like to see economic success wedded to an appreciation for culture and human relationships.

Singapore stands at a crossroads in its development. It has achieved its economic dreams, and it is now concerned with avoiding the pitfalls that some advanced nations have stumbled into in the wake of economic development.

A recent speech by Prime Minister Goh Chok Tong illustrates the dilemma. While telling community leaders that Singapore should aim to become one of the world's 10 richest countries in the next century (it is currently number 11), Mr. Goh cautioned that citizens should not become obsessed with becoming wealthy: "I want a Singapore with a soul. Rich, but not materialistic, competitive but compassionate."

Part and parcel of this dilemma is keeping Singapore competitive with other industrialized nations. Despite rising costs, the government is making an all-out effort to sustain a competitive environment by nurturing a well-educated, productive workforce and maintaining a pro-business attitude and non-bureaucratic government. At the same time, the government wants to ensure that Singapore's standard of living stays among the highest in Asia.

Tropical race

Government spokespersons are frank in explaining that Singapore's road to continued spectacular development may not be as smooth as in the past. Still, they are optimistic.

"We can become the first developed country in the tropics, if we do not let up," Mr. Goh said in a speech last year.

"I do not agree that the Asian miracle is over in Singapore," says David Chin, deputy CEO of the Trade Development Board. "If we had a slight dip last year, it was due to the global dip in the electronics market. I see it as cyclical. I think there will be another surge in exports from this region in the middle of this year."

There is no denying that Singapore trade took a beating last year. Growth slumped to 5.1 percent (361.5 billion Singaporean dollars, or $250.9 billion), compared with 13.2 percent in 1995. With external trade business at three times the country's gross domestic product, its importance in stimulating the country's economic development is clear.



R. IAN LLOYD

The electronics element

The slide is largely attributed to slumping electronics exports (which account for about 70 percent of Singapore's non-oil domestic exports), which grew by only 4.3 percent last year, compared with 16.3 percent in 1995.

Government officials deny that Singapore has erred by concentrating its economy so heavily in the electronics sector. And Singapore can console itself with the fact that regional rivals were similarly affected. Some observers,

Continued on page III

ON BECOMING AN 'INTELLIGENT ISLAND'

The public and private sectors are already "wired." Now more computer experts are needed.

As the next millennium approaches, so too does Singapore's self-imposed deadline to become an "Intelligent Island." To this end, an ambitious program called IT2000 aims to transform the nation through extensive use of computers and information technology.

"We use five measures of progress," says Stephen Yeo, chief executive of the National Computer Board (NCB). "First, the level of information technology infrastructure; second, the application [of IT] by industry sectors; third, the general level of IT literacy among the people; fourth, the level of IT industry success; and last, the level of government computerization."

Mr. Yeo thinks that Singapore already has the best IT infrastructure in the region, if not the world. "This is not because we are exceptionally bright, but because it's a small place that is easy to wire," he explains. To carry this infrastructure to the next level, the government launched a sub-program called Singapore One last January.

As for applications, Mr. Yeo says assessment is best broken down into sectors – education and professional deployment.

"We have made big progress in the education sector in the last two years," he explains, "not just on a school basis but on, for example, introducing technology to allow learning on demand, convenient library services and virtual training systems."



R. IAN LLOYD

A child explores the Global 2000 technology exhibition.

The National Library Board will invest 100 million Singaporean dollars ($69.4 million) over the next seven years in new technology and improvements to library infrastructure. The Education Ministry has committed 2 billion Singaporean dollars over the next three to five years to upgrade facilities, purchase new software and train teachers.

"In three years, every child that leaves our school system will be IT literate," says Mr. Yeo, "whether they leave from primary, secondary or tertiary level."

In professional sectors like construction, manufacturing and health care, the NCB is banking on "flagship applications" that they hope will raise the IT level of the whole industry. "For example, in the construction industry there is CoreNet," Mr. Yeo explains, "which we think will revo-

Continued on page V

BUILT FOR BUSINESS: SINGAPORE

NEW CONVENTION CENTER WILL BE S.E. ASIA'S LARGEST

The advanced facilities will be available in less than two years' time.

With work beginning on a new but yet-to-be-named exhibition center near Changi Airport, Singapore will soon have the biggest convention and conference capacity in Southeast Asia, surpassing arch-rival Hong Kong in the race for the biggest and best meetings.

The exhibition industry attracted more than 200,000 foreign delegates to Singapore in 1995 and is expected to contribute more than $1 billion Singaporean dollars ($694 million) to the economy by the year 2000. According to the trade and industry minister, Yeo Cheow Tong, Singapore now attracts 19 of the 47 fairs endorsed by the Paris-based Union des Foires international exhibition agency.

Currently, 68,500 square meters (737,328 square feet) of exhibition space are available in Singapore, split among Suntec City, the IMM building and the World Trade Center (WTC). The WTC, however, is scheduled to be demolished in 1998, actually reducing the total area available by 10,000 square meters – until the new Changi facilities come into play.

First phase

Changi will eventually encompass 100,000 square meters of covered space and 20,000 square meters of open area. The $107 million first phase, which will accommodate 40,000 people at full capacity, is slated for completion in early 1999. The second phase will be built "when demand warrants it," says Mr. Yeo. There are also plans to have a subway station at the center's doorstep by 2001.

In addition to the convention facilities themselves, the Singapore Tourism Development Board aims to ensure that convention visitors get value-added service during their visit.

Superconventions

The STPB recently kicked off a "superconvention" program, which encourages hotels to equip themselves with network computers and Web sites to give delegates access to information about the convention they are attending. Also, hotels are being encouraged to offer convention guests Internet accounts to facilitate communication with their company headquarters.

Spin-offs

Positive spin-offs from conventions can be felt throughout the island's tourism sector.

"Having conventions in town does a great deal for the hotel sector," says Arthur Kiong, director of sales and marketing for the Ritz-Carlton Millennia hotel. "Even though we do not cater to convention delegates, when there is a convention in town, delegates fill up other hotels, and we see as much as a 20 percent boost in our occupancy within a five-day time frame."

Neck and neck

Any discussion of Singapore's competition in the meeting and convention sector usually turns to Hong Kong.

According to the Brussels-based Union des Associations Internationales, Singapore ranked sixth in the world for hosting meetings last year. Hong Kong was tenth.

Singapore banks on a price advantage over Hong Kong (with Singapore's rental rates 40 percent to 45 percent lower than those in the British colony) as well as established cultural and business links with Indochina, India and Australia.

Until the new facilities at Changi are complete, Hong Kong has more rentable space available, a more exotic image and a more central location vis-à-vis Europe, Japan and North America.

Hong Kong also has its all-important China connection, which the city hopes will offset Singapore's other advantages in the future.

A piece of the action

For years to come, the convention sectors in Singapore and Hong Kong can be expected to play the same cat and mouse game in their respective seaports that they have engaged in for more than a decade.

For instance, Singapore can boast about hosting the World Trade Organization Ministerial Conference last December. But rival Hong Kong will host the World Bank and International Monetary Fund conference this September.

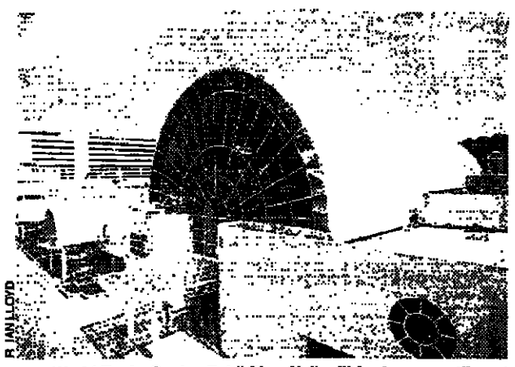
They are not alone in their quest to attract big international shows. Major new exhibition centers are being developed in other Asian capitals, including Bangkok, Kuala Lumpur and Jakarta – all of which boast tremendous cost advantages over both Singapore and Hong Kong.

Better business

That doesn't seem to worry Singapore's hospitality industry.

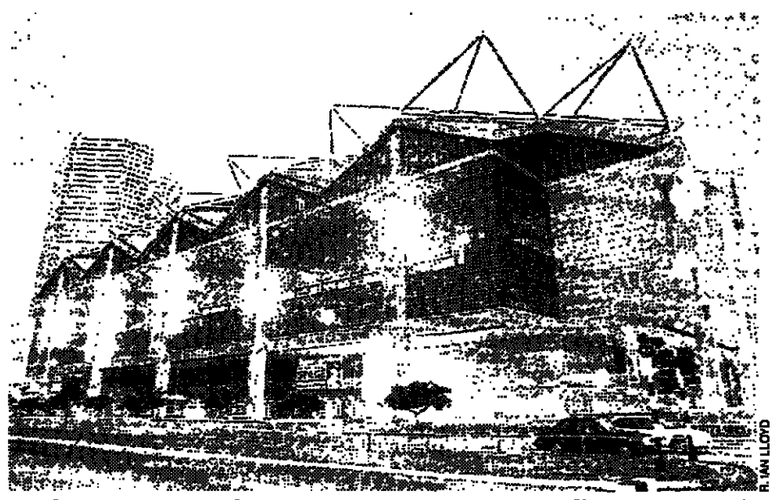
"I see the convention business as Singapore's future," says Mr. Kiong. "The new Changi exhibition center can only mean better business for everyone."

Julia Clerk



R. IAN LLOYD

The World Trade Center Exhibition Hall will be in use until next year. It is now one of the primary convention sites.



R. IAN LLOYD

The Suntec City Convention Center will continue to be used even after the Changi facilities are built.

BANKING INDUSTRY MUST PREPARE FOR COMPETITION

Ng Kee Choe, president and chief operating officer of Development Bank of Singapore (DBS), says the banking sector must retain its current competitive edge and expand value-added services.

Ratings agencies continue to rank Singapore banks as some of the least risky, best capitalized and most profitable in the region. What makes the Singapore banks such good institutions and the banking systems so strong?

In a nutshell, the strength of Singapore's financial system is due to the high standard set by the Monetary Authority of Singapore (MAS). The system has been tested, and its strength and resilience proven.

Singapore has earned the reputation as a safe and stable haven for investors and depositors to transact their financial activities with confidence. And as members of the system, Singapore banks are amongst the best capitalized and well supervised banks in the world, and have to meet stringent prudential requirements. For example, Singapore banks are required by law to have a minimum capital requirement of 12 percent (first-tier capital) and to practice conservative provisioning.

'Singapore is a nodal point in the international financial system. To continue in this position, Singapore must stay useful, relevant and competitive'

What are the major challenges that the financial sector has to face in the foreseeable future?

Singapore is a nodal point in the international financial system. To continue in this position, Singapore must stay useful, relevant and competitive. Given the continuing deregulation and liberalization of financial markets in the region and elsewhere, Singapore must work harder to stay ahead. This means, inter alia, that not only must Singapore strive to maintain its competitive edge in existing services, but it must also expand its high-value-added financial activities such as fund management, R&D in financial engineering, trading of financial derivatives, and broaden and deepen its capital markets.

Does Asia view South America, South Africa and Eastern Europe as direct competition?

In the medium term, South America, South Africa and Eastern Europe represent trade and investment opportunities for Asia rather than threats. If these emerging economies continue their market reform programs, they can unleash their growth potential like Asia's emerging economies.

Asia's manufacturers that want to diversify their export markets may seek to tap the growing consumer demand in these countries. Similarly, Asian companies that are hard-pressed by rising wages and other operating costs may find these emerging economies attractive to relocate their production facilities there. South Africa can be used as a gateway to the African continent, while some Eastern European countries will join the European Union – making them ideal low-cost launching pads to penetrate the EU market.

It is estimated that Asia's current infrastructural needs now total some $1.5 trillion. Where is this funding going to come from? Are there any new, innovative funding programs in the works?

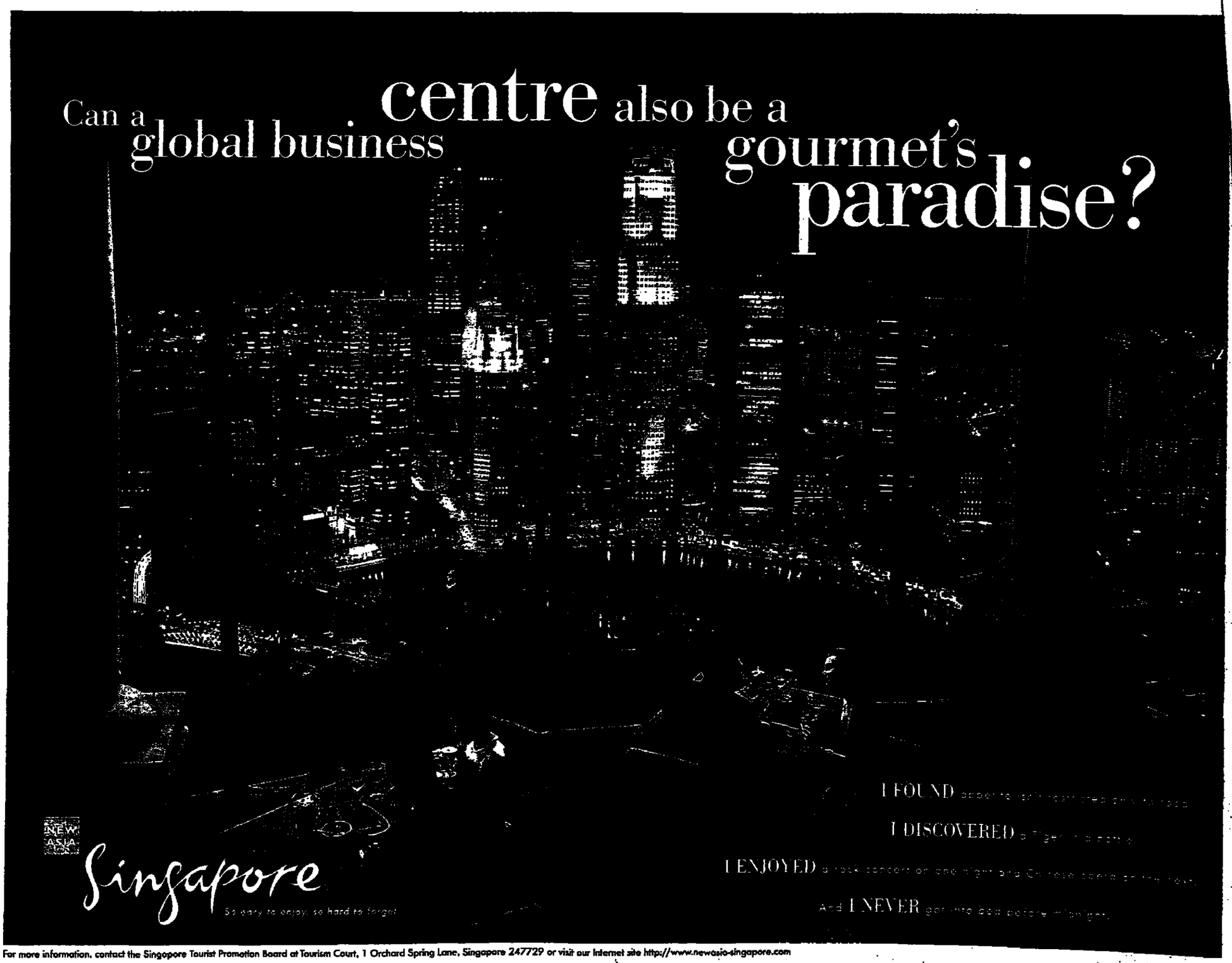
The enormous funding requirements for Asia's infrastructural construction can be financed by three sources: government surpluses, domestic savings and capital markets. Most Asian governments have practiced prudent fiscal policies, with revenues exceeding expenditures. Consequently, most governments have accumulated healthy foreign reserves. Indeed, of the top five countries in the world with the largest foreign reserves, three are in Asia. Further, Asians in general save more than they consume, resulting in a high average savings rate of over 35 percent in the region – compared to an average of below 25 percent in the OECD economies. At issue is how to mobilize and recycle these savings for more productive purposes.

Do you think Asians will be willing to invest in their own infrastructure?

Hitherto, Asian investors have put their surplus funds in properties and stock markets. However, central banks in the region and multilateral institutions such as the Asian Development Bank and the World Bank are working together to develop the region's bond markets.

As fixed-income instruments gain popularity as alternative investment vehicles in Asia, the region's debt market will take off as a major funding source for infrastructural construction. The World Bank has projected that the aggregate size of Asia's bond markets can reach $1.2 trillion by the year 2004.

Interview by J.C.



For more information, contact the Singapore Tourist Promotion Board at Tourism Court, 1 Orchard Spring Lane, Singapore 247729 or visit our Internet site http://www.newasia-singapore.com

BUILT FOR BUSINESS: SINGAPORE


Young people at a telephone pager plant. Despite increased competition in the region, Singapore intends to remain a technology leader.

CREATING 'SINGAPORE WITH A SOUL'

Continued from page I

however, have warned that Singapore may be pricing itself out of the electronics market.

In a recent interview with BBC World Television, Deputy Prime Minister Lee Hsien Loong scoffed at the notion. If only wages and land cost are considered, he said, Singapore is certainly not the cheapest alternative. "But you have to look at the whole package. The business environment, infrastructure, telecommunications, the financial sector that supports it."

Last year, Singapore's economic growth slowed to 6.5 percent – down from 8.8 percent in 1995 and 10 percent in both 1993 and 1994. Business pundits believe that 6 percent is achievable but that 7 percent is more likely. Projected growth in the republic's major trading partners – the United States, Japan and the European Union – is likely to benefit Singapore's overall economic health.


This orchid research laboratory combines science with beauty.

Seeking critical mass

Despite an apparent rebound this year, the powers that be are taking steps to ensure that Singapore maintains every possible economic advantage in the future.

The TDB recently formed the Committee on International Trade, a 23-member private-sector board charged with examining ways and means of increasing Singapore's trade competitiveness. COIT has already outlined major trends that will influence the future of Singapore's international trade, including increased regional competition, global trade and investment liberalization, as well as the growth of trade in services and information technology.

Indeed, Singapore has formidable competition looming on the regional horizon, especially in the area of information technology. A good example is Malaysia's ambitious plan to develop a 15-by-60-kilometer (9-by-37-mile) "multimedia super-corridor" for IT companies, with Bill Gates of Microsoft as a key consultant.

"You can't run away from the fact that [Malaysia's multimedia super-corridor] will provide competition in some respects, but on the whole I see it as a good thing," says Stephen Yeo, chief executive of the National Computer Board. "We need critical mass for ASEAN to become more attractive to investors, so if it takes off, I see it as being complementary."

Since the first official "nudge" in 1992, Singapore authorities have been promoting economic regionalization as a necessity owing to the relative maturity, competitiveness and limited size of the home market. The government has set the pace with billions of dollars of investments in areas such as technology and infrastructure and business parks, tourism ventures.

The private sector, however, is not always emulating the government's example. In a recent survey published by the Singapore branch of the Chartered Institute of Marketing, only four in 10 local companies say they have plans to expand in the region in the next year, compared with seven global multinationals and eight Southeast Asian multinational companies with operations in Singapore.

Regional outlook

The findings will come as no surprise to the government. In fact, the government has shifted the oversight of small and medium-sized enterprises from the Economic Development Board to the recently formed Productivity and Standards Board in an effort to promote a more regional outlook.

A government official explained that one problem SMEs have is recruiting top-notch personnel. The best and brightest young workers tend to gravitate toward well-known multinationals. As a result, the government thinks a special program is necessary to attract high-quality workers to local companies.

The government has also decided that innovation must play a bigger role in the country's future. In fact, many officials are referring to this stage of national development as the "innovation-driven" era. To this end, authorities have created the Innovation Strategic Unit and the Innovation Development Scheme. The latter gives grants to companies with promising innovative ideas.

The life of the mind

Meanwhile, the government has called on Singaporeans to develop a keener sense of their artistic and cultural heritage (while not ignoring the need for continued economic development, naturally).

Prime Minister Goh has said on several occasions that Singaporeans need to "lighten up" while chasing the economic dream.

"We should bring back exotic snake charmers. We can do with more spontaneity and creativity and more interesting nightlife," Mr. Goh said, addressing a graduating class at Nanyang Technological University last year.

Adding that there should be more fun places for young people, the prime minister said, "Let us be more cultivated and refined, with a keener sense of beauty in human relationships, arts, music and our cultural heritage."

Well-rounded society

But culture may be a tougher sell than economic regionalization. In a recent survey by the Education Ministry, less than 2 percent of students polled said they were proud of Singapore's culture and heritage.

Yet Mr. Goh persists in his quest for a more well-rounded society.

"At the end of the day, what is life about?" he said to students at the National University of Singapore. "It's about . . . living in a society where there are other things – music, plays, dramas, operas, paintings, restaurants, theme parks – giving some ease to the bare existence of life."

J. C.

INVESTING IN AN INNOVATIVE FUTURE

The government has ambitious, far-reaching plans for research and development.

Singapore can safely be described as clean and green, efficient and enterprising – but perhaps not innovative. The government wants to change that. In fact, the goal is to transform Singapore into an innovation hub for the whole Asia-Pacific region.

"We are no longer competing with the developing economies, which are catching up fast, but also with the OECD countries," says Lim Boon Heng, minister without portfolio and chairman of Singapore's Productivity and Standards Board. "Singapore must aggressively restructure, upgrade and innovate. We have to improve our total factor productivity, and one of the ways to accomplish that is through innovation."

Investment in research and development is increasing rapidly. In a recent poll of 470 organizations, the Science and Technology Board found that gross expenditure on R&D more than doubled between 1990 and 1995, from $572 million Singaporean dollars ($397 million) to $1.37 billion Singaporean dollars. The private sector kicked in more than 64 percent of the 1995 total, with $430 million Singaporean dollars spent on R&D in the electronics sector.

A major push for R&D is coming from the government's Innovation Development Scheme, launched in November 1995. Using grants, IDS hopes to encourage and assist Singapore-registered companies to engage in and develop capabilities in the innovation of products, processes, applications and services. Since its inception, $250 million Singaporean dollars have been disbursed for 184 projects.

The campaign really heated up in January of this year when the Economic Development Board announced the establishment of an Innovation Strategic Unit to help develop Singapore into a regional innovation hub. EDB identified five key thrusts.

"First, the EDB, along with other government agencies, will be promoting innovation projects even more proactively," says Ho Meng Kit, EDB's managing director. "[Second,] we will identify critical capability gaps in our industry cluster and use the IDS as a tool to build up these areas.

"[Third,] the ISU will encourage companies to establish permanent, internal innovation systems and practices. [Fourth,] it will encourage the creation of innovation infrastructure. [And finally,] it will work with other government agencies and the private sector to develop a national framework for innovation which will act as a road map for the innovation drive in Singapore."

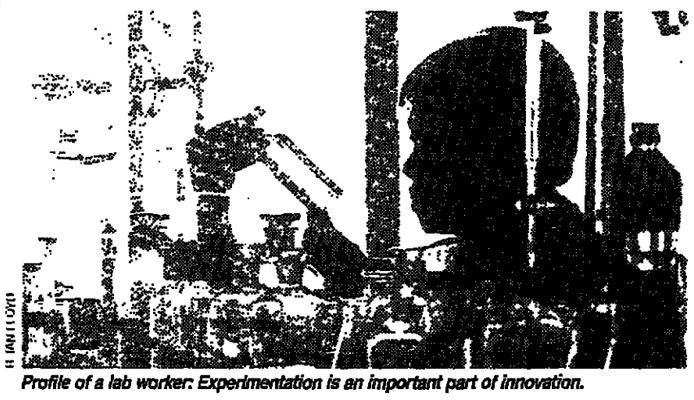
The unit has also been charged with marketing Singapore as a innovation hub. To this end, Mr. Ho says distinguished speakers will be invited to give talks and conduct seminars on innovation. The first of these seminars took place in March, when executives from international consultancy firm Arthur D. Little told the chief executives of 50 Singapore-based companies how to implement a sustainable and successful innovation process.

Meanwhile, advertising campaigns have been launched in the United States and Europe to showcase Singapore companies and their successful innovations. Lauded in the advertising drive are homegrown computer giant Creative Technology (which created the standard for PC sound cards in the 1980s) and various multinationals whose Singapore branches designed and developed new products or processes. These include Hewlett-Packard, Makino, Motorola, Philips and Shell.

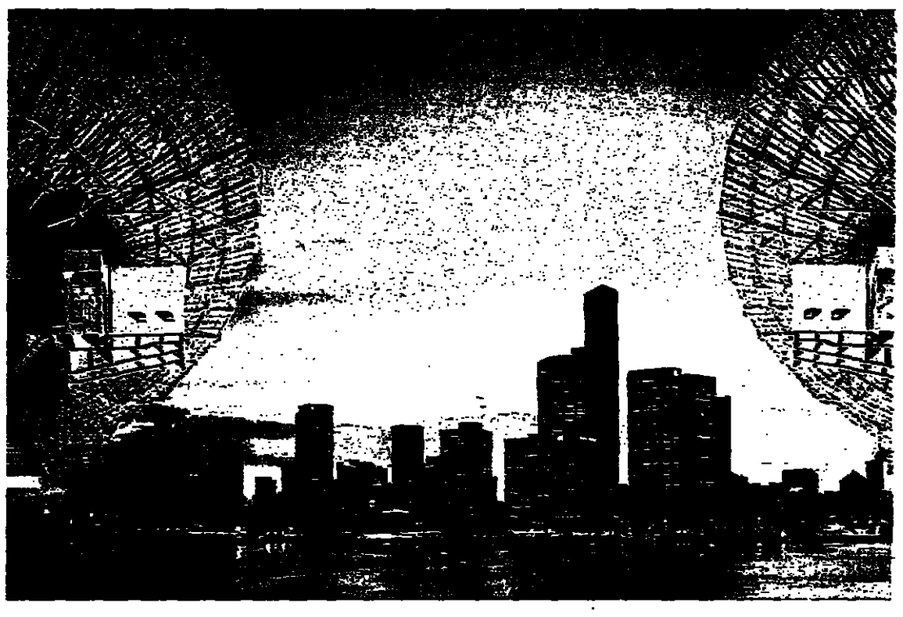
In an effort to nurture innovative start-up companies, an $11 million Innovation Center has been created at Singapore Science Park II. It provides high-tech, fully fitted facilities for 38 start-up technology companies. They can share administrative support and have full access to services offered by the National Science & Technology Board, enabling them to concentrate on the task of translating their innovation into profitable products and businesses.

Chong Siak Ching, CEO of the Singapore Science Park, points to a recent study in the United States revealing that 80 percent of companies in "incubator centers" were still in business after five years, compared with 20 percent of those that tried to make it on their own.

J.C.


Profile of a lab worker: Experimentation is an important part of innovation.

"BUILT FOR BUSINESS: SINGAPORE"
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Hong Kong Suite 4, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. Tel: 852-2593 1182, Fax: 852-2593 1183.



BUILT FOR BUSINESS: SINGAPORE

THE RIGHT BUSINESS CONTACTS ARE CRITICAL

Foreign investors often view Singapore's Economic Development Board as their partner in Singapore. The organization smoothes the way for them by providing "one-stop shopping" investment advice. EDB has a number of "thrusts," or special campaigns:

- Manufacturing 2000 aims to maintain manufacturing's share of the industrial pie at 25 percent of gross domestic product so that Singapore can achieve annual economic growth of between 4 percent and 6 percent – the government's target for sustainable growth.

Singapore attracted more than 8 billion Singaporean dollars ($5.6 billion) in new manufacturing last year – a 19 percent increase over 1995 – with the chemical and electronic sectors accounting for 37 and 43 percent of the total respectively.

- International Business Hub 2000 is the strategic campaign to position Singapore as the most important regional business headquarters (RHQ). By the year 2000, the EDB aims to have at least 200 "significant regional headquarters" situated in Singapore. Last year alone, the list expanded by 10 percent, with RHQ status awarded to 22 organizations worth 712 million Singaporean dollars.
- Promising Local Enterprises are Singaporean companies that could potentially expand into Asian multinationals. The EDB's goal is to create 100 PLEs with at least 100 million Singaporean dollars in turnover within the next decade.
- Regionalization 2000 is focused on developing an external economy that is linked to and enhances Singapore's domestic economy. The immediate goal is to foster flagship projects in the Riau islands of Indonesia, Suzhou and Wuxi in China, Bangalore in India, and Vietnam.
- The Co-Investment Program supports these campaigns by providing equity investments in projects that meet the strategic intent of these programs. The EDB co-invests with multinational companies and PLEs in risk-sharing ventures both in and beyond Singapore.

Investment arm

EBD's investment arm currently manages a total of 1.3 billion Singaporean dollars through the Cluster Development Fund. Last year, a total of 228 million Singaporean dollars was committed to seven projects, bringing the total to 15 projects valued at 483 million Singaporean dollars.

- The Innovation Development Scheme encourages companies to revolutionize products, processes, technology applications and services. As of January, 131 million Singaporean dollars in grants had been committed to 157 projects in 149 companies.

For more information on the EDB, contact the board's web site at www.edb.govt.sg

The Trade Development Board is Singapore's agency for international trade. "The TDB intends to help companies realize their business potential in four areas," says David Chin, the board's deputy CEO. The "four dimensions" of trade include:

- Domestic exports of goods and services from Singapore.
- Exports through Singapore, including re-exports and transshipment of merchandise through Singapore. Offshore traders take advantage of the Approved International Traders Scheme to pay just 10 percent tax on profits.
- Trade generated by consumption in Singapore.
- Exports via Singapore's commercial presence overseas – loosely termed as "regionalization." The benefits of such business activities will eventually return to Singapore in the form of profit repatriation.

"From the very start, the TDB realized that we are promoting trade, which includes imports. The more imports that we bring in and can sell to someone else – as long as we make a margin – will increase our international trading," says Mr. Chin.

The Productivity and Standards Board was formed last year to spearhead the drive for productivity growth through a merger of the National Productivity Board and the Singapore Institute of Standards and Industrial Research.

"Our mission is to raise productivity through six key thrusts," says Lee Suan Hiang, the board's CEO. "Manpower development, industry development, technology applications, standards and quality development, productivity, and promotion and incentives management."

To stimulate corporate growth, the PSB will single out 400 companies with excellent business practices as Singapore Quality Class and help another 200 promising small and medium-sized enterprises to triple their combined sales to 6 billion Singaporean dollars.

In the realm of productivity, the PSB will select five productive industries from the internationally oriented sector and match them with similar industries in developed countries. At the same time, it will choose five industries from the less productive sector and make them more efficient and productive. The PSB will expedite market access by establishing Mutual Recognition Agreements with major trading partners and by aligning national standards with international standards. "By doing so, we will overcome the problems of standards becoming non-tariff barriers," says Mr. Lee.

The board offers its services to both overseas and local enterprises. Its most visible offshoot is SISIR, a wholly owned subsidiary responsible for forming ventures outside Singapore in partnership with local investors. To date, the PSB's investment activities have included automation, chemicals, electronics, environmental management, food processing, information technology, quality consultancy and strategic design.

For more information, see the PSB's Web site at www.psb.govt.sg

J.C.



R. IAN LLOYD

Members of the fleet line up in formation. Airline deregulation presents a challenge – but by no means an indomitable one.

AIRLINE: MORE AUTOMATION

Internet ticketing, self-check-in and ticketless travel are the future.

With annual profits of about 1 billion Singaporean dollars ($694 million), an impeccable reputation and countless international accolades, Singapore International Airlines (SIA) is a true aviation success story. But with greater aviation deregulation, the strong Singapore dollar that is depressing foreign earnings and the rising costs of doing business in Singapore, the airline is not about to rest on its laurels.

SIA intends to meet these challenges in a number of ways. Within its current operations, increased productivity and automation are the buzzwords du jour. The availability of ticketless travel and self-check-in on selected routes, for example, plus Internet ticketing, slated for this summer, means that counter and ticketing staff can be reduced.

The transfer of some data processing functions to cheaper overseas locations has already begun, with software development now stationed in Madras, revenue accounting in Beijing and some aircraft maintenance in Xiamen, China. Passenger revenue generation is being augmented through in-flight gambling and video shopping.

Fledgling projects

Fledgling overseas projects through a subsidiary called Singapore Airport Terminal Services (SATS) include nine kitchen and airport handling operations and three engineering operations in different parts of Asia.

Joint venture projects are expected to increase substantially, with SIA management targeting 30 percent of group profits from related businesses within 15 years. For now, officials say they are not intending to diversify beyond the confines of their core business.

SIA is making no secret of its wishes to buy into or start up a domestic airline elsewhere in the region as a major step in meeting this target. With its strong financial capabilities, no one is questioning its ability to fulfill this aspiration.

J.C.

AIRPORT'S THIRD TERMINAL ANTICIPATES DEMAND

The airport considers it imperative to have new facilities in place.

The multi-award-winning Changi International Airport is determined to keep its superior status by developing a third terminal – even though the two existing terminals have not yet reached full capacity.

Detailed design work will start this year on the 1.5 billion Singaporean dollar ($1 billion) edifice, with construction beginning in 1999 and completion scheduled for 2003.

State-of-the-art

Communications Minister Mah Bow Tan says the third terminal will complete Singapore's "total airport city" by offering state-of-the-art facilities and systems.

The structure will feature 25 airbridge stands, four to eight of them able to accommodate the new 600-seat super-jumbo jets.

A people-mover system with 16 cars will link the three terminals, and Singapore's subway system will be expanded to include an airport station by 2001. Also in the works is a second airport hotel to complement the existing 106 room facility.

Some critics have been vocal in their concern that the development of Changi will far outstrip demand, resulting in a chronic oversupply. The airport's current capacity is 44 million passengers annually, but it handled 25 million passengers last year. The new terminal will raise total capacity to 64 million.

The forecast

Regional air traffic surveys forecast that Changi's arrivals will hit 41 million by 2006 – just short of the capacity of the first two terminals.

But Mr. Mah scoffs at any notions that a third terminal isn't needed. "We have two choices," he says, "wait for the traffic to build up and existing capacity to be more or less used up before we expand, or expand now to match the expected demand."

Best service

The decision really rested on Singapore's quest to supply the best possible airport service, Mr. Mah adds. "A terminal operating at full capacity means less space for users, longer waiting times, more dependence on buses instead of airbridges. In other words, poorer service."

Airport authorities also point to the fact that Changi will face stiff competition in coming years in its quest to become the premier Asian airport hub.

The competition includes the 9 billion Malaysian ringgit ($3.6 billion) Kuala Lumpur International Airport, scheduled for completion in 1998, and Hong Kong's $20 billion Chek Lap Kok airport.

Top rankings

Last year, Changi was ranked the top airport by no fewer than seven international travel publications, and it won Business Traveller magazine's "World's Best Airport" award for the ninth consecutive year.

Changi was recently named the world's best airport for long-haul passengers by the International Air Transport Association, beating Britain's Manchester Airport, which won top spot last year. Fifty-four airports were included and 55,000 people polled in the survey.

J.C.

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BUSINESS COMES FIRST: A SURVEY OF SURVEYS


R. IAN LLOYD

An executive enjoys a good business climate – and a good view of the skyline.

An informal survey conducted at the end of an international conference on "The Future of Asia's Cities" – jointly hosted by the New York-based Asia Society and the Indonesian Center for Information and Development Studies – picked Singapore as Asia's "most livable" city. The criteria were clean air, geographical accessibility, a safe environment and affordable housing. The voters included 300 policymakers, architects, businesspeople, community experts and scholars from 20 countries brought together to address the effects of rapid urban development on the political, economic and cultural life of Asian city residents.

Singapore was also rated the least bureaucratic place for doing business in Asia in a survey of 12 nations by the Hong Kong-based Political and Economic Risk Consultancy (PERC). The island-state scored an average 2.64 points on a scale of zero to 10, with zero being the best grade. Hong Kong, last year's winner, was runner-up this time. Malaysia was third and the Philippines fourth.

HQ choice

Singapore was rated as a better place to set up a regional headquarters than Hong Kong or Tokyo in a recent poll conducted by the Far East Economic Review (FEER).

Forty-two percent of 6,000 executives in 11 Asian countries who participated in the survey voted for Singapore. Seventeen percent favored Hong Kong, and 4 percent picked Tokyo.

FEER speculates that Singapore's lower property and labor costs, tax incentives to foreign companies, growth of financial service industries and higher quality of life are tempting many multinationals to relocate to the island.

Swiss kudos

Singapore has been ranked the world's second-most competitive economy for the fourth consecutive year by the Swiss-based International Institute for Management Development (IMD).

The United States retained its top spot in the 1997 world competitive ranking, rated on domestic economy, internationalization, government, finance, infrastructure, management, science and technology, and people.

IMD, one of the world's leading business schools, ranked 46 economies using 244 criteria. Rounding out the top 10 economies were Hong Kong, Finland, the Netherlands, Norway, Denmark, Switzerland, Canada and New Zealand.

The perks of success

In PERC's annual January poll, executives in seven U.S. cities were asked to rate 11 Asian countries on the basis of overall ease or difficulty in doing business.

This year, Singapore dropped to second place from its top position last year, with Hong Kong regaining its previously held number-one position.

Hong Kong was said to have slipped last year owing to pessimism over its transition to China this year, an issue that seems to be less worrisome now. In this survey, Singapore was criticized for overly stringent regulations, high costs and a labor shortage.

J.C.

PORT'S FOCUS IS ON EFFICIENCY AND PRODUCTIVITY

Singapore forges alliances, making competition a favorable challenge.

Last month, for the 10th consecutive year, Singapore was voted the Best Seaport (Asia), and the Port of Singapore Authority (PSA) was voted the region's Best Container Terminal Operator for the eighth time in the Hong Kong-based Asian Freight Industry Awards. "We are the most cost-effective and one of the cheapest transshipment hubs in the world, taking into account quick turnarounds and the volume of containers handled," says Khoo Teng Chye, PSA's chief executive officer. "Shipping lines continue to use PSA because we are cost-effective. As a transshipment hub, we create value for our customers by managing the complexity of shipping connections, giving our customers a competitive edge."

Hong Kong was again the world's busiest container port last year, handling 13.2 million TEUs (20-foot equivalent units). Singapore was second with 12.94 million, Kaohsiung (Taiwan) third with 5.06 million and Rotterdam (Holland) fourth with 5 million. Port-related activities generate an estimated 2 percent of Singapore's gross domestic product.

High growth

Finishing second in volume does not faze Mr. Khoo, who points out that Singapore's 9.3 percent growth was the world's highest. He claims that productivity measures also showed improvement. Last year, value added (services/products) per employee jumped 9.7 percent, and value added per employee dollar grew 1.8 percent.

Much of this efficiency stems from PSA's use of IT and automation. The Portnet system is used to service shipping lines and does away with the need for billing paperwork. FastConnect is an information system that accelerates loading and unloading procedures. The Trade Development Board's TradeNetPlus is an automated documentation process for the entire international trading cycle.

Further automation is in the works this year. One example is TDB's EDITRANS, which will provide an electronic communication link among shippers, consignees, freight forwarders and transporters based in Singapore and overseas.

IT's fit

Meanwhile, PSA tripled its upgrading expenditure last year, pumping about 1.12 billion Singaporean dollars ($777 million) into continued development of a new container terminal at Pasir Panjang (PPT). The first four berths will begin operations in 1998.

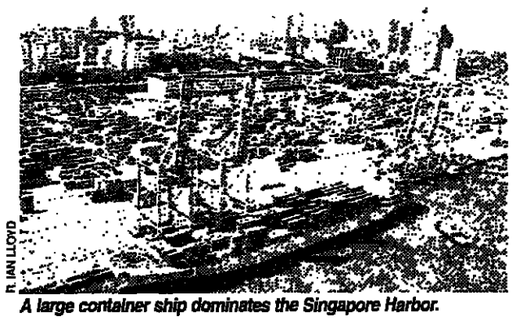
"Every facet of port operations in PPT will be managed with intelligent systems," says Mr. Khoo. These include new-generation quay cranes that can handle the largest ships in the world (18-container width) and a remote-control bridge crane that can increase berth capacity by up to one-third.

Productivity and efficiency are seen to be crucial for Singapore's attempts to fend off competition from ports in Southeast Asia that offer cheaper services.

Like the old advertising slogan, Singapore also believes that if you can't beat the competition, you should join them.

"PSA is looking beyond the horizons of Singapore to overseas investment," Mr. Khoo explains. "In doing so, we will be able to help other ports grow and form stronger port linkages."

J.C.


R. IAN LLOYD

A large container ship dominates the Singapore Harbor.

THE STEPS TO BECOMING AN 'INTELLIGENT ISLAND'

Continued from page I

lutionize the way architects, engineers and developers do their planning, submissions, checking and management."

Singapore ranks number two in the the most recent World Competitiveness Report in IT literacy and already has a high computer use rate, including 36 percent home penetration last year (compared with 10 percent in 1988). According to a recent survey conducted by the NCB and the National University of Singapore, 24 percent of home PC owners have Internet access.

The government has set a target of 50 percent home PC penetration by 1999 – a figure the NCB is confident of achieving largely because of the impending availability of various new information superhighway choices, including Web TV and wireless devices.

Growth in Singapore's IT industry has compounded at about 26 percent over the past 10 years. "In dollar terms, I think it is quite healthy," says Mr. Yeo. But the industry does have some problems.

"We are encountering problems both in terms of supply and their ability to adapt to new technology," he explains. "We need to embark on higher value-added IT work.

"For the lower level work, we are looking at opening overseas development centers in China or India, and we will continue to keep our doors open to foreign talent. Also, more than one-third of our IT professionals have more than 10 years experience. On the surface, this appears like a strength. But without continuous training, it means that one-third are obsolete."

Recruiting labor

Currently, NUS produces 2,000 to 2,500 computer science graduates annually, which fulfills about 75-80 percent of local demand, not counting leakage to other industries. To supplement the shortfall, Singapore has been importing talent from India and other Asian neighbors. "I would put manpower development as one of the most critical factors for our next phase of development," says Mr. Yeo. "What's ironic about our business is that we make other people's industry less labor-intensive."

Mr. Yeo anticipates a continuing need to recruit labor in the foreseeable future. But aside from the labor shortage, "Singapore's public sector is probably more 'wired' than just about any other government on the planet. We are very comfortable with the use of IT in government," he says. "In fact, in many respects, the government is providing a leading role in their respective industry sector."

Last year, the government launched PS21 (Public Service 21), a strategic plan that will show civil servants how to better serve industry in the next century. IT features in much of the strategy, including pervasive Internet activities.

For more information, visit the National Computer Board Web site at http://www.ncb.gov.sg

J.C.

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BUILT FOR BUSINESS: SINGAPORE

TELECOMS MARKET SMALL BUT DYNAMIC

Bidding will soon begin for telephone services, message devices, data services and more.

With a population of just 3 million, Singapore offers one of the smallest telecommunications markets in Asia. But with telecoms liberalization looming on the horizon, local and foreign companies are tripping over one another to get a piece of the action.

"There is plenty of room for growth in Singapore," says Neil Montefiore, CEO of MobileOne.

Mr. Montefiore has reason to sound bullish: MobileOne is the only company besides Singapore Telecom with licenses for both paging and cellular services. The latter license, a 20-year concession, was granted on April 1, making MobileOne the country's second mobile phone provider. It will initially offer GSM (Global System for Mobile Telephony), and at the end of the year it will roll out CDMA (Code Division Multi Access).

MobileOne's philosophy is in keeping with the goals of the Telecommunication Authority of Singapore (TAS), which wants to see sustainable competition rather than predatory pricing. But some analysts point out that a price war has already begun, with cellular phone subscription rates falling as much as 45 percent this year. The competition is expected to get even more heated with the government's recent announcement that it will award up to two additional mobile phone licenses by April 2000.

Paging competitors

MobileOne and Singapore Telecom also compete in the paging sector with Sunpage, Hutchison Paging and Teledata. Singapore's pager penetration (30 percent) is currently the world's highest, but some experts put the potential penetration at 50 percent of the total population. Mr. Montefiore admits that Singapore Telecom is a worthy opponent. "They benchmark well in the world, even though they have been a monopoly. And they are well liked by the Singapore people." Singapore Telecom is also gearing up for competition, pouring millions of dollars into the expansion and improvement of its cellular networks and reducing prices.

With declining margins in the cellular and paging sectors, many industry experts believe that MobileOne's 360 million Singaporean dollar ($250 million) foray into the Singapore market is mainly a move to ensure future licenses for fixed-line services. "MobileOne is not positioning itself for that," says Mr. Montefiore. He does admit, however, that all three shareholders – Cable & Wireless, Keppel and SPH – are interested in gaining fixed-line access. And he does not rule out the possibility of MobileOne's involvement in the fixed-line segment.

Indeed, Keppel and SPH are among the companies expected to submit bids on recently opened tenders for licenses to supply basic telecom services – such as domestic and international telephone services, message devices and data services – using public switches.

Other local companies expected to tender (with foreign partners) are Sembawang Corp., Singapore MRT and Wing Tai, as well as Singapore Power and Singapore Technologies, which have forged a joint venture with British Telecom and Nippon Telegraph and Telephone of Japan. Other foreign companies that may participate in the tender include BellSouth, Deutsche Telekom and U.S. West (overseas shareholders are allowed to hold up to 49 percent in a bidding consortium).

Once tenders are in, the TAS will conduct a prequalification exercise to minimize wastage of resources. Among prequalification criteria are the company's vision for Singapore's telecommunications industry, its organizational strength and proposed competitive strategies.

Singapore Power thinks that it holds the inside track on some aspects of the evaluation criteria. The company already has extensive network capability through power grids, which can facilitate data and voice transmission. In addition, the national power company has 7,000 substations across the island that can house switches and telecom equipment, plus a customer database and an efficient billing system already in place. "Our grid network," says BG Boey Tak Hap, president and CEO of Singapore Power, "places us in a strong position to be the second nationwide, full-service telephone provider as the timetable toward telecoms liberalization accelerates."

Singapore Power's confidence could be premature, says BG Lee Hsien Yang, president and CEO of Singapore Telecom. "There is an immense amount of positioning and public drum-beating going on," he says. "They have yet to win [a license], and until they do, I do not know if they will be my competitor."

J.C.

ASIA TELECOM '97 AT THE WORLD TRADE CENTER

This summer, Singapore will play host to what promises to be the biggest telecommunications event ever held in the region, with some 32,000 square feet of exhibition space and 400 companies from more than 30 countries.

Special session

Asia Telecom '97 – to take place June 9-14 at Singapore's World Trade Center – is the 18th event organized by the International Telecommunication Union (ITU), the Geneva-based United Nations agency for telecommunications. With 184 national and more than 350 industry members, the ITU is the world's largest and most influential telecoms organization.

The ITU's worldwide and regional events are held in four-year cycles to ensure adequate global coverage throughout its member countries. The event in Singapore will be a special session of the World Telecom Exhibition and Forum.

One reason the ITU is hosting the event in Singapore is that the Asia-Pacific region now constitutes the world's largest market for telecommunications products, with regional telecom investment expected to exceed $300 billion in the next five years.

Platform for leaders

Asia Telecom '97 reflects this trend – Asia Telecom '93 was more than three times bigger than Asia Telecom '89 and six times larger than Asia Telecom '85.

This year's event will feature a vast array of products and services. The associated forum will focus on the latest developments and provide a platform for industry leaders to share ideas on trends and appropriate strategies for both the developing and the industrialized worlds.

Outstanding venue

This will be the fourth time Singapore has been chosen to host the event. The organizers say that despite attractive offers from several other countries in the region, Singapore was selected again because of its outstanding infrastructure, accommodations and transport as well as its superb conference and exhibition facilities.

J.C.

THEME PARKS SHIFT THEIR MARKETING FOCUS

Singapore residents visit the parks in droves. Now the government would like to lure more tourists.

The good news about Singapore's theme parks is that they are drawing big crowds and raking in record profits. The bad news is that the island's purpose-made amusement attractions are luring a much different crowd than originally envisioned – locals rather than foreign tourists.

According to a recent report by Singapore's Department of Statistics (DOS), theme parks and similar amusement outlets earned 97 million Singaporean dollars ($67.3 million) in 1994, a ten-fold increase over 1984.

Leisure-oriented

The vast majority of visitors flocking to attractions like Sentosa Island, Fantasy Island, Haw Par Villa and Tang Dynasty Village are local residents, a reflection of that fact that Singapore has become a much more affluent – and leisure-oriented – society over the past decade.

According to the DOS, rapid growth in the theme park industry since the mid-1980s is part of a general trend of expansion in recreational and cultural services, now the fastest-growing sector of the island's service industry.

The appeal of nature

Yet many of Singapore's theme parks have failed to attract a substantial foreign following, despite millions of dollars in new attractions and marketing campaigns aimed at tourists.

Sentosa Island is a prime example. This former British military base and Japanese POW camp was converted into a theme park in the 1970s. Over the past decade, it has added a number of features to attract more people, including a wax museum, orchid garden, simulated live volcano, carnival-type thrill rides, Asian arts and craft market, Mississippi riverboat restaurant and two beach resort hotels. Locals, however, still comprise the majority of visitors.

"Success has been largely elusive except at the parks associated with nature," says Yeo Khee Leng, assistant chief executive at the Singapore Tourism Promotion Board. "For example, the zoo and the Night Safari."

The Singapore Zoo, the biggest in Southeast Asia, has been highly popular with overseas visitors for many years. The Night Safari, a zoo annex that specializes in nocturnal beasts, was an overnight success when it opened four years ago. Another theme park that attracts a substantial foreign clientele is the Singapore Bird Park, another nature-based attraction.

"Many of the other parks are now conducting internal reviews for repositioning," says Mr. Yeo. Among their options are designing new overseas marketing strategies, offering new attractions that have more international appeal or simply admitting that local patrons will always be the core business.

Climate shock

A key problem, says Mr. Yeo, could be the fact that many foreign visitors are not used to Singapore's hot and humid tropical climate. Very few local theme parks offer a broad slate of after-dark endeavors.

"One thing we have learned is to pay more attention to nighttime activities," he says. "Singapore is quite warm during the daytime but very comfortable at night."



R. IAN LLOYD

An oversized dragon greets visitors to the Haw Par Villa.

Some parks are trying more drastic action. Fantasy Island, a water slide and swimming pool park on Sentosa Island, recently announced its third change of management in the three years since its inauguration. According to the Straits Times newspaper, Fantasy Island attracted nearly half a million people in 1996 (95 percent from Singapore). But that still wasn't enough to turn a profit at the 54 million Singaporean dollar park.

Management expects to slip into the black this year with aggressive marketing to attract more local patrons, more food and beverage outlets, better access from the Sentosa ferry pier and possibly discounts for repeat customers.

Joseph R. Yogerst



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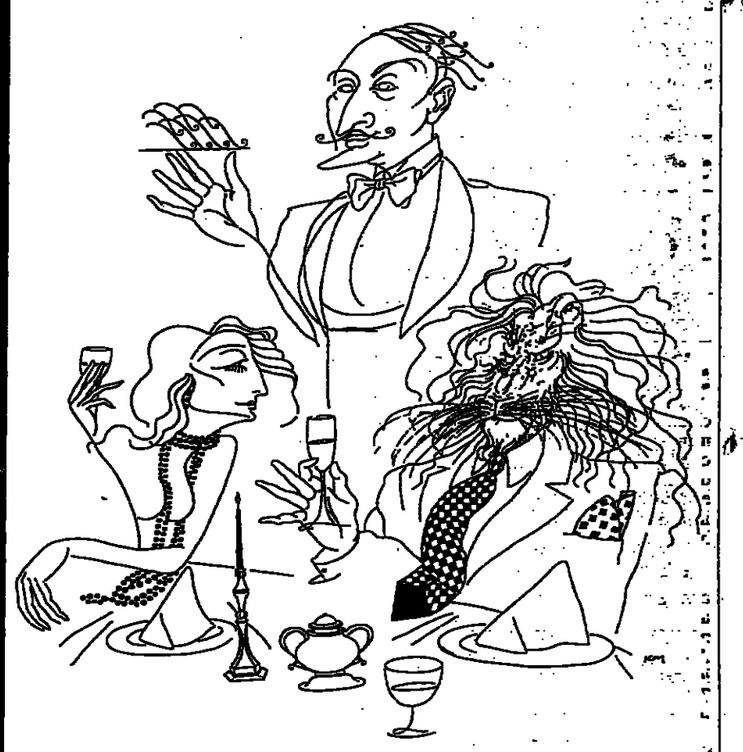
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Belgium Stirs Debate On the Euro

Ministers to Monitor New Central Bank?

Compiled by Our Staff From Dispatches

BRUSSELS — Finance Minister Philippe Maystadt of Belgium reignited the debate over Europe's future central bank, saying finance ministers would band together to form a "counterweight."

Mr. Maystadt said Saturday that the planned council of finance ministers in countries using the European single currency after 1999 would provide the economic policy coordination that is beyond the power of the central bank.

"The stability council is a place where, as a counterweight to the European central bank, we will be able to discuss closer coordination of our economic and social policies," Mr. Maystadt told the daily Le Soir.

The controversy over the French-inspired stability council had quieted down since the start of the year, when French officials were believed to be seeking political checks on the central bank's mandate to fight inflation.

The debate over which countries can join the single currency from the outset continued on Sunday, with Italy's Treasury minister defending one-time economic measures as a valid way of lowering deficits to meet the criteria set out in the Maastricht treaty.

Carlo Azeglio Ciampi said that extraordinary measures, such as Italy's "Eurotax" in the 1997 budget bill, were the "pontoon bridges" that would allow the nation to construct an "iron bridge" to Europe next year.

Countries qualifying for Europe's single currency at its outset must finish this year with a deficit of 3 percent or less of gross domestic product.

Italy needs a deficit-cutting budget of at least 25 trillion lire ($14.54 billion) in 1998 to secure a place in the first round of monetary union, an adviser to Prime Minister Romano Prodi was quoted on Sunday as saying. Paolo Onofri, who was chairman of a study group set up by Mr. Prodi on reforms, told the daily La Repubblica he believed that around 15 trillion lire of the total should come from spending cuts.

Germany's finance minister, Theo Waigel, meanwhile, said Sunday that his government would take any action required to slash its budget deficit to qualify for the euro.

Responding to a forecast from the International Monetary Fund that Germany's deficit would be 3.3 percent of gross domestic product this year, Mr. Waigel said the government was sticking to its forecast of 2.9 percent of GDP this year.

The International Monetary Fund warned over the weekend that failure to begin the single currency on time would be dangerous to the project as a whole.

(Bloomberg, Reuters, AFP)



Jessica Arias/The Washington Post

Mr. Wolf, right, speaking to Dawn Sears, a customer service agent, at the Marriott Hotel near Baltimore.

For US Airways, Time Is the Enemy

By Frank Swoboda and Don Phillips
Washington Post Service

WASHINGTON — Stephen Wolf stood before a packed ballroom at the Marriott airport hotel near Baltimore delivering a speech he said he never dreamed he would give. The chairman of US Airways Inc. had come to town to tell its employees that time was running out for them unless the unions made some concessions.

Time also is running out for the carrier and Mr. Wolf. Without the concessions, the veteran airline chairman said, he will be forced to downsize US Airways, forever abandoning plans to make it into a major global competitor.

Asked by a pilot in the audience how quickly the end could come, Mr. Wolf said, "I don't know, but clearly sometime in the not-too-distant future."

Now the deadline has become clearer. Company sources said last week that the US Airways board of directors would begin laying off pilots and other employees June 30 — when the pilots' no-layoff clause expires — unless agreements have been reached with unions for pilots, machinists and flight attendants on cutting costs. The final deadline will be Sept. 30, when US Airways must affirm or cancel a $14 billion order for up to 400 new aircraft from Airbus Industrie, the European airline consortium.

Within a matter of weeks, US Airways will have to decide whether to spend an estimated $500 million to buy the profitable USAir Shuttle that flies between Washington, New York and Boston or risk losing it to American Airlines Inc. or United Airlines Inc., which are apt to bid up the price. The shuttle is operated by US Airways, which has the first right of refusal to purchase it, but owned by a consortium of banks.

US Airways is the carrier with the most flights operating at National Airport and it maintains a small operation at Dulles International Airport, both serving Washington.

For Mr. Wolf, who came to US Airways last year with a reputation for rescuing troubled airlines, and for the 42,000 employees of the airline, the moment of truth is at hand. He has determined that the carrier cannot make its aircraft purchase without cost cuts that would allow it to compete with new low-cost rivals that are blanketing its core markets in the East.

But selling the need for labor concessions comes at a time when things appear rosy for the airlines. Just last week, US Airways reported a record first-quarter profit and the outlook for this quarter is just as good. Flights on average are 68 percent full and the number of paying customers is rising.

Although US Airways' management has sought concessions from the three unions, the primary target is the Air Line Pilots Association, which represents the carrier's 4,800 pilots. The company has been in almost constant discussions with the pilots since Mr. Wolf arrived in January 1996.

Jim Gardner, a spokesman for the pilots union, said it would not discuss the negotiations. But he said the pilots association's negotiating committee

See AIRLINE, Page 13

Daido Hoxan Removes President Over Painting

Feud Centered on Charge of Gangster Art

Bloomberg News

OSAKA, Japan — Directors of Daido Hoxan Inc. voted Sunday to strip the company's president of his title, the latest round in a rare public dispute between high-ranking executives.

At an emergency board meeting, the Japanese industrial-gas maker decided that the chairman, Hiroshi Aoki, will serve as acting president, a company executive said. Shigeru Mizushima, who had been president, will remain a board member.

The decision follows Mr. Mizushima's announcement last week that he had asked Tokyo prosecutors to indict Mr. Aoki and Vice President Takashi Itoh. Mr. Mizushima said the two used company funds to buy a valueless painting for 90 million yen ($712,000).

Selling worthless art to corporations is a common tactic of gangsters known as *sokaiya*. In exchange for the purchase, the sokaiya promise not to disrupt the company's annual shareholders meeting.

Mr. Mizushima said the purchase of the painting by Mr. Aoki and Mr. Itoh was an aggravated breach of trust. Mr. Aoki admitted Sunday that he had bought the painting, but denied he bought it from a gangster. He said the board decided to dismiss Mr. Mizushima from the presidency for damaging the company's reputation.

While corporate power struggles are just as common in Japan as anywhere else, the battle of the two Daido leaders in public is rare in a country that puts premium on maintaining harmony and saving face.

The origins of the split between the president and chairman go back to 1993, when Daido Hoxan was created in a merger. Mr. Aoki was the president of Daido Sanso, and Mr. Mizushima was president of Hoxan when the two merged.

"I'm very indignant," Mr. Mizushima said Sunday as he emerged from the board meeting. "I'm so sad that our company has been reduced to this."

The dispute may provide yet another example of Japanese companies' alleged links with organized crime. Mr. Mizushima said he would continue to work with prosecutors to pursue the case.

Mr. Aoki said he bought the painting, which was priced at 300 million yen in 1991, for 90 million yen two years ago. He said the purchase was approved by the company's directors, including Mr. Mizushima. He said the painting was a work of a 17th century Dutch artist.

"It's so strange to me that Mr. Mizushima didn't complain at the time," Mr. Aoki said.

He also said Mr. Mizushima's management philosophy was far removed from his.

Mr. Aoki sought to dispel the speculation that the rift was because of the company's failure to merge the former two companies' corporate cultures.

He said all 23 of the board members in attendance voted in favor of removing Mr. Mizushima from the presidency. Three directors failed to attend.

Mr. Mizushima said Sunday the board removed him for fear that voting against the move would put their own livelihoods at risk. "I feel sorry for other board members. They have families to feed."

Mr. Aoki said: "The entire situation was unfortunate. I wanted Mr. Mizushima to become my future successor."

Mr. Mizushima said last week he made the accusation knowing he could be dismissed from the company. "I decided to sacrifice my career to stand up for what is right and what is good for employees and shareholders," he said.

In a statement, Daido Hoxan said, "Concerning the purchase of a painting, we firmly believe this incident doesn't constitute aggravated breach of trust."

The statement was accompanied by one from Mr. Aoki, which said: "Since the merger, we have been working hard to combine the operations of the two companies. I thought my efforts bore fruit. This is really regrettable." He added that Mr. Mizushima's claim was "outrageous."

Daido Hoxan, based in Osaka, is 9 percent owned by Air Products & Chemicals Inc. of Allentown, Pennsylvania. A spokesman for Air Products & Chemicals declined to comment.

Stodgy State-Held Companies Hobble China's Market Reforms

Reuters

BEIJING — China's economy is in the best shape that it has been so far in the 1990s, but it faces several striking problems, particularly the blind production of unwanted goods by lumbering state companies unable to adapt to the market, according to a new report.

China has successfully guided its economy to a soft landing, said the report by a group of leading economists from the Chinese Academy of Social Sciences and the State Statistics Bureau.

But the chief task now facing China's economic planners was how to coordinate an inefficient state sector with sizzling economic growth that has averaged about 10 percent for the past few years without sending the economy skidding off course, it said.

The government could not afford to miss this opportunity to push ahead with new and difficult economic reforms, especially ones that would force the state sector to be more efficient in the marketplace, it said.

It cited an urgent need to tackle the problem of imbalances between supply and demand that have been blamed for mounting stockpiles, and losses, at inefficient state factories unable to adapt to the marketplace.

But it warned that while tackling the state sector and the issue of supply and demand, the government could not afford to allow the economy either to overheat or to cool too quickly.

China's economy has been forecast to grow by 10 percent this year, up slightly from last year's rate of 9.7 percent.

The report urged the government not to cut interest rates again this year after two reductions last year that spurred industry but sent a flood of money streaming into the fledgling stock markets.

"Because of a lack of capital markets that can efficiently absorb funds, there has appeared the current 'overheating' in the stock markets," it said.

The Shanghai stock market has gained more than 30 percent since the start of the year.

■ Car Imports at 48-Year Low

China said that car imports had dropped to their lowest level since 1949 but that it hoped its entry into the World Trade Organization would help increase imports again, Agence France-Presse reported from Beijing.

"The market share of car imports this year may be lower than last year's 14 percent," after a series of strong years when imported cars represented nearly half the market, the official China Daily Business Weekly said.

The market share has fallen to "the lowest level since the People's Republic of China was founded in 1949," the article added.

CYBERSCAPE

For Cyberphobics, Plenty of Help Is on the Shelf

By Margot Williams
Washington Post Service

Cyberphobia has not yet been named a disorder by the American Psychiatric Association. But many of us have felt a twinge of this Internet-related syndrome, which combines anxiety, frustration and feelings of inadequacy. Where to go for help?

One place is bookstores.

Some stores have shelf after shelf of self-help titles aimed at demystifying the network; a recent search of Amazon.com's on-line catalogue turned up more than 700 in the Internet category. As official, and free, printed software manuals become scarce, a thriving market for guides, directories and magazines has been created.

You can find "The ABC's of the Internet" and "Zen and the Art of the Internet" and "The 10 Minute Guide to Lotus Notes 4.5 Web Navigator." Or "Internet for Dummies" and "More Internet for Dummies" and "Internet Telephony for Dummies," and "The Complete Idiot's Guide to Internet Explorer 3." And, of course, there's "The Internet for Cats."

Some commuters are reading "Java in a Nutshell." Although most Internet users do not need skills in building fire walls, programming intelligent agents or setting up servers, attractively packaged books are available in quantity for those who do.

Back in the old days, when first setting up a dial-up account, I collected all kinds of "starter kit" books with enclosed disks, CD's and helpful instructions for using FTP, or file transfer protocol, Internet Relay Chat, Unix commands, Gopher, Archie, Veronica and Jughead, now all nostalgia items.

Now that the Web and graphical interfaces rule, going on-line is much easier. So why are there so many books?

Back to cyberphobia. The Internet is growing so fast, we hear about it everywhere, and we fear that if we do not jump on and catch up, we will be left in the dust. Help!

Before you buy anything, remember that the Internet itself still has lots of free help available. Numerous sites contain "frequently asked questions" files and other forms of help that you can download. I usually depend on these.

But if you do buy a book, choose carefully.

More than half of the "nontechie" books are general introductions and browser guides for people who are more comfortable with books than with on-line help.

If you are a beginner, I'd go for the ones with most space devoted to how the Web works and how to use applications.

Avoid the ones that provide extensive lists of Web addresses. They are quickly outdated and the brief descriptions of sites often are uninformative.

Other books are aimed at people with special interests who are trying to find specific information on the Internet in connection with their work. There are guides for accountants, nurses, teachers, investors, writers, retirees, marketers and job hunters.

Unfortunately, in the rush to fill the shelves, while the Web is such a hot topic, many of these have been padded with recommendations and directions to sometimes nonexistent sites.

They're also often short on material that helps you develop real skills. You need to be able to search, not surf.

Mastering the intricacies of search engines, comparing the relevancy of their results, evaluating the value of the information retrieved and organizing it into a manageable form are skills that can really help, no matter what topic you pursue.

Surprisingly, few of these books enlist the assistance of the most experienced professional seekers, finders and organizers of information — librarians, or "information specialists," as many prefer to be called these days.

For instance, one current book on the subject, "Net Research: Finding Information Online," by Daniel Barrett, is laced with consultations with computer scientists and systems managers.

The book promises to teach effective search techniques, but I found no systematic method that would consistently lead you to what you want.

Instead, the author leans heavily on intuition as an effective search strategy. The idea is that the associative powers of your mind, and the hunches as to where material might be located, will probably be quicker than the search engines.

A welcome exception to the books' tendency to ignore librarians is "Secrets of the Super Net Searchers" by Reva Basch. She presents interviews with 35 independent research professionals, academic librarians and other expert searchers who describe the thought processes and skills that operate behind successful searching. This book is engaging and helpful, too.

■ IBM Recasts Net Unit

International Business Machines Corp. plans to gradually dismantle a high-profile division formed two years ago for coordinating Internet strategy, The Associated Press has reported from New York.

IBM will eventually reassign the duties among the various IBM business units that make and sell Internet products. The company hopes the move will streamline development and bring new technologies to market faster.

No timetable was set for extinguishing the division, created by Chief Executive Louis Gerstner to meet exploding demand for technology enabling companies and consumers to use the World Wide Web and private networks.

IBM recently shifted 100 software developers — about one-fifth of the staff of the Internet division staff, which is based in Raleigh, North Carolina — to the company's much larger software unit, of which the Internet division is a part.

The company added that the move was unrelated to any cost-cutting. The company said it had long planned to phase out the Internet division once it got the entire company thinking about ways to develop, make and sell Internet technology.

Internet address: CyberScape@iht.com.

CURRENCY RATES

April 25

Cross Rates

	$	£	DM	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9225	3.1455	1.125	0.3322	0.1729*	—	5.453*	1.3199	1.5375*	1.3795	1.3535*
Brussels	35.48	57.5775	20.634	6.11	3.1908*	18.345	—	24.2555	0.282	25.41	24.69*
Frankfurt	1.7164	2.7868	—	0.2963	0.1551*	0.8899	4.8464*	1.1742	1.3658*	1.226	1.1865*
London (a)	1.6231	—	2.7974	9.4465	2.786133	1.1453	57.7939	2.302	204.6405	2.2674	235.861
Madrid	144.694	234.94	84.345	24.977	8.45*	74.979	4.0874	99.031	115.248*	100.456	—
Milan	—	1.6245*	1.7274	5.1295	1.722.80	1.9401	35.65	1.4695	126.38	1.3973	144.253
New York (b)	5.7922	9.4065	3.337	—	0.3387*	3.892	0.1637	3.965	4.6143*	4.3932	4.864*
Paris	17.046	27.679	9.8239	2.9448	0.741	11.452	0.4818	11.672	—	12.93	14.312
Tokyo	1.3182	2.1405	0.7593	0.2278	0.0573*	0.8854	0.0372*	0.9027	1.0365*	—	1.107*
Toronto	1.1907	1.9328	0.6858	0.2057	0.0517*	0.7997	0.0336*	0.8153	0.9028*	0.7804	—
Zurich	1.4595	2.3697	0.8409	0.2521	0.0634*	0.9798	0.0412*	1.2255	1.1356*	1.0957	1.2135*
1 ECU	1.1405	1.8514	0.6569	0.1969	0.0495*	0.7652	0.0322*	0.7957	0.8868*	0.8558	0.9477*
1 SDR	1.3892	2.2555	0.8002	0.2399	0.0603*	0.9322	0.0392*	0.9692	1.0802*	1.0425	1.1545*

Closings in Amsterdam, London, Milan, Paris and Zurich. Rates in other centers: New York at 4 p.m. and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar. *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

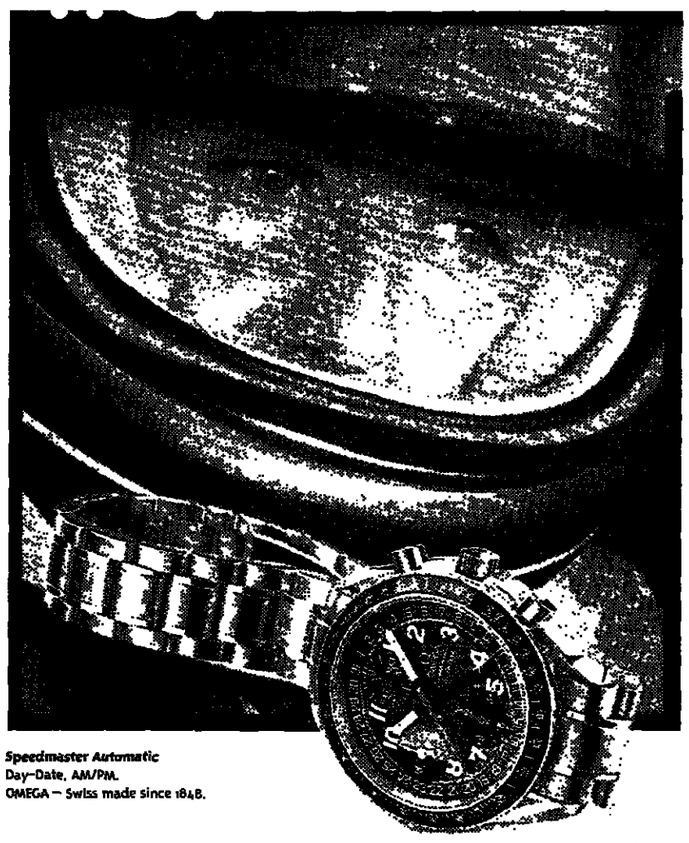
Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	273.06	Mex. peso	7.865	S. Afr. rand	4.4435
Australian $	1.2845	Hong Kong $	7.747	N. Zealand $	1.4409	S. Kor. won	892.40
Austrian sch.	12.072	Hung. forint	181.85	Norw. krone	7.0515	Swed. krona	7.711
Brazil real	1.0625	Indian rupee	35.765	Phil. peso	26.36	Taiwan $	27.63
Chinese yuan	8.3248	Indo. rupiah	2431.5	Polish zloty	3.15	Thai baht	26.08
Czech koruna	30.48	Irish £	0.6456	Port. escudo	172.12	Turkish lira	132540
Danish krone	6.529	Israeli shek.	3.399	Russ ruble	5745.5	UAE dirham	3.6705
Egypt. pound	3.393	Kuw dinar	0.2008	Saudi riyal	3.75	Venez. bolfv.	479.50
Fin. markka	5.1541	Malay. ring.	2.5094	Sing. $	1.4435		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6229	1.6219	1.6213	Japanese yen	125.05	124.68	123.90
Canadian dollar	1.3996	1.3966	1.3942	Swiss franc	1.4564	1.4513	1.4466
Deutsche mark	1.7118	1.7079	1.7042				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Michael Schumacher's Choice



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CAPITAL MARKETS ON MONDAY

Raft of U.S. Data Promises to Keep a Clue-Hungry Market on Edge

By Carl Gewirtz
International Herald Tribune

PARIS — Storm warnings are up for what analysts forecast will be rough weather for the international capital market.

The week is filled with a series of U.S. economic reports that are likely to destabilize the market. Not only are the first official estimate of first-quarter growth and the employment cost index scheduled for release, but later in the week the first indicators of activity in the second quarter, the purchasing managers' index and employment data for April, are expected.

Stephen Roach, an analyst with Morgan Stanley & Co., said he thought that stronger-than-expected data "will go a long way" in convincing investors that "markets have a long way to go in adjusting for the U.S. monetary tightening that will unfold over the balance of this year."

Although markets have just about priced in another quarter-point increase in the cost of overnight money when Federal Reserve Board policymakers next meet on May 20, Mr. Roach said the tightening would continue until that key money-market rate, now at 5.50 percent, hits 6.75 percent.

While analysts at Salomon Brothers Inc. and J. P. Morgan & Co. did not go quite that far, they said they thought the Fed would have to raise its rate to 6.50 percent before the current boom conditions could be slowed enough to contain inflation.

Complicating the picture is the weeklong "Golden Week" holiday in Japan. The Japanese are big investors in the U.S. market and their reduced participation is expected to result in less liquid and more volatile trading.

Moreover, there are considerable jitters about what to expect from the Japanese.

The shutdown on Friday of Nissan Mutual Life Insurance Co. sent a shudder through all markets because the company, the 16th largest life company in Japan, has an unusual mix of assets. While the average company in the industry holds 5.5 percent of assets in securities that are not denominated in yen, Nissan is estimated to hold some 15 percent, or about $2.7 billion, in foreign assets, mostly bonds that will need to be liquidated.

Another wrinkle is the insistence of Japanese officials that the yen not weaken any further from its current level of 126.30 yen to the dollar. Analysts see little likelihood that Japan can do anything to halt the slide for now, but there is some concern that Japanese investors might hold off buying foreign securities in hopes of a more favorable exchange rate later in the year.

Along with all of this, there is increasing uncertainty in Europe about the outcome of the French legislative elections that begin in May. Analysts do not so much fear that President Jacques Chirac will lose his current conservative majority or even that the Socialists — who negotiated and signed the treaty for European monetary union — will score an outright victory. Instead, they fear that neither party will win a majority, resulting in a government too weak to implement reform or proceed with plans to join the union.

The French market itself is rather well placed to weather this uncertainty. Among the nine major European bond markets, nonresident holdings of French government paper at 12 percent of the total are lower than anywhere but Belgium, where the share is 6 percent. Nonresidents currently account for 38 percent of German government debt, or about what they held in France at the outbreak of the 1992 currency crisis.

This means that both the French bond market and the currency are less vulnerable to a sell-off, although the sharp rise of half a percentage point in the June contract for the interbank rate is a clear signal that bets are being placed against continued stability in France.

Ironically, the markets deemed most vulnerable to a political upset in France, which would damage prospects for monetary union, are the currency markets for the Italian lira and the Swedish krona.

The Deutsche mark advanced 0.97 percent against the krona and 0.81 percent against the lira last week. By contrast, the mark rose only 0.08 percent against the French franc.

Among last week's international issues, the star performer was the 200 million DM ($116.5 million) of five-year notes from Porsche AG, the German luxury carmaker. Its maiden issue was many times oversubscribed, said lead manager Deutsche Bank.

Although unrated, Porsche sold its paper at a yield to match that of single-A-rated Bayerische Motoren Werke AG and ended the week trading eight basis points below BMW.

Adding to Porsche's reputation as a producer of collectibles, the bond certificates are being printed in color and in four models — each showing a different model car.

More exotic, but indicative of the appetite for risk, was the issue for the retailer Metro AG.

Its three-year issue is denominated in Polish zloty, but all payments will be transacted in marks because zloty cannot be held outside Poland. The interest rate is set at 18.5 percent, and the first coupon will be paid at the subscription price of 1.8315 zloty per mark.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending April 25. Prices supplied by Telekurs.

Austrian Schilling

Rnk	Name	Cpn	Maturity	Price	Yield
187	Austria	5¾	04/11/07	99.3000	5.7900

Belgian Franc

Rnk	Name	Cpn	Maturity	Price	Yield
158	Belgium	7.00	04/29/99	106.2000	6.5900

British Pound

Rnk	Name	Cpn	Maturity	Price	Yield
132	Fannie Mae	6⅞	06/07/02	97.7500	7.0300

Canadian Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
200	Canada	9½	12/01/99	109.3130	8.4600
212	Canada	5½	02/01/00	100.2610	5.4900

Danish Krone

Rnk	Name	Cpn	Maturity	Price	Yield
5	Denmark	8.00	03/15/06	109.7200	7.2900
17	Denmark	9.00	11/15/98	107.1500	8.4000
19	Denmark	7.00	11/15/07	101.9700	6.8600
27	Denmark	8.00	11/15/01	110.9000	7.2100
38	Denmark	9.00	11/15/00	112.9500	7.9700
46	Denmark	8.00	05/15/03	111.0000	7.2100
56	Denmark	7.00	11/10/24	94.7200	7.3900
58	Denmark	7.00	12/15/04	104.5000	6.7000
66	Denmark	6.00	12/10/99	103.4500	5.8000
70	Denmark	6.00	11/15/02	102.3500	5.8600
78	Nykredit 3 Cs	6.00	10/01/26	88.1000	6.8100
88	Real Kredit	6.00	10/01/26	88.1800	6.8000
105	Denmark	7.00	08/15/97	100.8700	6.9400
138	Nykredit Bank	7.00	10/01/26	95.0300	7.3700
145	Denmark	6.00	02/15/99	103.0400	5.8200
180	Denmark	4.00	02/15/00	99.0000	4.0400

Deutsche Mark

Rnk	Name	Cpn	Maturity	Price	Yield
1	Germany	6.00	01/04/07	100.9185	5.9500
2	Germany	6¼	04/26/06	97.3394	6.4200
3	Germany	4¾	11/20/01	101.8796	4.6600
4	Germany	8.00	01/21/02	113.4233	7.0500
7	Germany	6⅞	05/12/05	100.2797	6.8600
9	Treuhand	7½	09/09/04	111.9000	6.7000
10	Federal Tsy	3¾	03/19/99	100.3000	3.7400
11	Germany	7⅜	01/03/05	111.1650	6.6300
12	Germany	5.00	05/21/01	102.3200	4.8900
13	Germany	6½	10/14/05	105.3000	6.1700
14	Germany	5.00	08/20/01	101.8438	4.9100
15	Germany	5¼	02/21/01	103.1100	5.0900
16	Germany	6.00	01/05/06	101.8100	5.8900
18	Germany	7½	11/11/04	111.9036	6.7000
20	Germany	8¼	09/20/01	114.0733	7.2300
21	Germany	5⅞	05/15/00	105.0800	5.5900
22	Germany	6.00	02/16/06	101.7800	5.9000
23	Germany	8.00	07/22/02	114.4244	6.9900
24	Germany	6¼	01/04/24	95.2433	6.5600
25	Germany	5¾	08/22/00	102.3424	5.6200
26	Treuhand	6⅜	07/01/99	105.5000	6.0400
28	Germany	9.00	10/20/00	114.9167	7.8300
29	Germany	zero	10/17/97	98.5153	3.1100
31	Treuhand	7⅜	12/02/02	109.2052	6.7500
33	Treuhand	7⅛	01/29/03	109.9700	6.4800
35	Treuhand	6½	04/23/03	106.8250	6.0800
36	Germany	5⅛	11/21/00	102.8000	4.9900
37	Germany	7⅛	12/20/02	109.0290	6.5300
39	Germany	6½	07/15/03	106.7400	6.0900
40	Germany	6¾	04/22/03	108.1467	6.2400
41	Treuhand	6⅝	05/13/04	107.6900	6.2700
43	Germany	7.00	12/22/97	102.3500	6.8400
44	Treuhand	6¼	03/04/04	105.0300	5.9500
45	Germany	6½	03/15/00	106.6800	6.0900
47	Germany	8⅜	08/20/01	115.9400	7.5500
49	Germany	8¼	07/21/97	101.1267	8.1600
51	Treuhand	7¾	10/01/02	112.9710	6.8600
52	Treuhand	6⅞	06/11/03	108.5933	6.3300
53	Germany	8⅞	12/20/00	114.9500	7.7200
54	Germany	7.00	01/13/00	107.8420	6.4900
59	Germany	8½	02/20/01	114.0200	7.4500
61	Treuhand	6⅝	07/09/03	107.3200	6.1700
63	Germany	6.00	06/20/16	95.2300	6.3000
64	Germany	6¾	09/15/99	106.7700	6.3200
65	Treuhand	6⅛	03/26/98	102.5000	5.9800
67	Germany	8¾	07/20/00	113.5725	7.7000
68	Germany	3½	12/18/98	99.9800	3.5000
69	Treuhand	5¾	04/29/99	98.6774	5.8300
71	Treuhand	6.00	11/12/03	103.9367	5.7700
73	Treuhand	5.00	12/17/98	102.3000	4.8900
74	Treuhand	6⅛	06/25/98	102.9613	5.9500
75	Germany	3½	09/18/98	100.0600	3.5000
76	Germany	6⅞	12/02/98	105.1300	6.5400
79	Germany	8¾	05/21/01	114.1300	7.3400
83	Germany	6¾	07/15/04	107.7075	6.2700
84	Treuhand	6¼	07/29/99	105.4000	5.9300
85	Germany	6⅛	05/20/99	104.9000	5.8400
89	Germany	8.00	09/22/97	101.8300	7.8600
93	Germany	5¼	02/25/98	101.5400	5.1700
94	Treuhand	5⅝	09/24/98	102.9100	5.4700
96	Germany	6.00	09/15/03	104.3400	5.7500
97	Germany	9.00	01/22/01	115.5325	7.7900
103	Germany	8¾	05/22/00	113.2000	7.7300
106	Germany	5⅜	02/22/99	103.1340	5.2100
107	Treuhand	7.00	11/25/99	107.6400	6.5000
110	Germany	5¼	08/20/98	102.9500	5.5900
111	Treuhand	5.00	01/14/99	102.3900	4.8800
112	Germany	zero	07/18/97	99.3097	2.9800
113	Germany	7½	10/20/97	101.9745	7.3500
116	Belgium TBill	zero	07/11/97	98.7400	6.1100
119	Germany	6⅞	02/24/99	105.7260	6.5000
120	Germany	8½	08/21/00	113.0100	7.5200
123	Germany	6⅜	05/20/98	103.1100	6.1800
127	Germany	7¼	10/21/02	110.6140	6.5500
128	EIB	6.00	10/22/03	104.2744	5.7500
129	Germany	5¾	08/20/97	100.7500	5.7100
131	Germany	5¾	05/28/99	104.1500	5.5200
133	KFW	5½	03/12/07	96.5000	5.7000
134	Germany	6.00	02/20/98	102.0673	5.8800
137	Cap Credit Card	5⅝	08/15/01	102.6816	5.4800
140	Germany	7.00	04/20/99	106.3900	6.5800
149	Germany	5¼	10/20/98	102.5400	5.1200
172	Germany	6⅝	01/20/98	102.3650	6.4700
175	Germany	5¼	11/20/97	101.0733	5.1900
189	Germany	6¾	06/21/99	106.2500	6.3500
198	Germany	6½	01/02/99	104.6900	6.2100
202	Germany	7¼	10/20/97	101.8600	7.1200
203	Germany	7¼	01/20/00	108.4900	6.6800
220	Germany	6⅜	01/20/98	102.1700	6.2400
226	Denmark	4¼	06/24/02	99.4728	4.7800
236	EIB	5¾	02/15/07	98.8639	5.8200
239	Woolwich FRN	3.285	04/23/02	99.7618	3.2900
244	Germany	6¼	02/20/98	102.3100	6.1100
247	Germany	6¾	07/20/98	103.9500	6.4900

Dutch Guilder

Rnk	Name	Cpn	Maturity	Price	Yield
32	Netherlands	6¼	07/15/98	103.2000	6.0600
48	Netherlands	5¾	02/15/07	99.9500	5.7500
86	Netherlands	9.00	01/15/01	115.3000	7.8100
90	Netherlands	7¾	03/01/05	113.9500	6.8000
91	Netherlands	7½	01/15/23	112.5500	6.6600
99	Netherlands	6.00	01/15/06	102.3000	5.8700
100	Netherlands	7½	06/15/99	107.4500	6.9800
101	Netherlands	8½	03/15/01	113.9500	7.4600
114	Netherlands	7½	04/15/10	113.6000	6.6000
115	Netherlands	6¾	11/15/05	107.4000	6.2800
118	Netherlands	zero	06/30/97	99.6994	1.6100
135	Netherlands	7¾	01/15/00	109.4000	7.0800
150	Netherlands	8¾	09/15/01	116.0000	7.5400
159	Netherlands	8¼	02/15/02	114.6000	7.2000
160	Netherlands	8¼	02/15/07	118.3500	6.9700
161	Netherlands	7.00	03/15/99	105.8500	6.6100
164	Netherlands	8¼	02/15/00	110.8500	7.4400
178	Netherlands	7¼	10/01/04	111.0000	6.5300
182	Netherlands	8¼	06/15/02	115.1500	7.1600
185	Netherlands	7.00	06/15/05	109.2000	6.4100
195	Netherlands	9.00	05/15/00	113.6000	7.9200
199	Netherlands	5¾	09/15/02	103.7000	5.5400
201	Netherlands	5¾	01/15/04	102.4500	5.6100
225	Netherlands	6½	04/15/03	107.0500	6.0700
246	Netherlands	8½	06/01/06	119.7000	7.1000

ECU

Rnk	Name	Cpn	Maturity	Price	Yield
72	France OAT	7.00	04/25/06	105.6000	6.6300
117	France OAT	8½	03/15/02	114.0000	7.4600
121	France OAT	9½	04/25/00	112.9000	8.4100
122	France OAT	6.00	04/25/04	100.3200	5.9800
136	France OAT	8¼	04/25/22	114.9800	7.1800
148	France OAT	5½	04/25/07	92.1500	5.9700
154	Britain	4.00	01/28/00	98.5407	4.0600
162	France OAT	7½	04/25/05	108.5500	6.9100
163	Britain	9⅛	02/21/01	116.1500	7.8600
191	Italy	6.00	04/02/04	99.9147	6.0100
194	France BTAN	6.00	03/16/01	103.4700	5.8000
204	EIB	10.00	01/24/01	118.2000	8.4600
209	UK T-note	5.00	01/26/99	100.9017	4.9600
214	Italy	9¼	03/07/11	122.4500	7.5500
241	France OAT	6¾	04/25/02	106.0000	6.3700
242	France BTAN	7¼	03/16/98	102.5400	7.0700

Finnish Markka

Rnk	Name	Cpn	Maturity	Price	Yield
174	Finland Serial s	7¼	04/18/06	106.7598	6.7900
228	Finland sr 1999	11.00	01/15/99	111.8832	9.8300
231	Finland	9½	03/15/04	120.4067	7.8900

French Franc

Rnk	Name	Cpn	Maturity	Price	Yield
152	France OAT	7¼	04/25/06	111.2500	6.5200
193	France BTAN	4½	10/12/98	101.1600	4.4500
230	Serail FRN		04/22/04	100.2000	n.a.
238	France OAT	8¼	02/27/04	116.7600	7.0700
249	France BTAN	5⅜	11/12/98	103.0400	5.5800

Italian Lira

Rnk	Name	Cpn	Maturity	Price	Yield
218	Italy	8¼	07/01/01	104.3500	7.9100
219	Italy	6¼	03/01/02	96.9700	6.4500

Japanese Yen

Rnk	Name	Cpn	Maturity	Price	Yield
124	World Bank	4½	03/20/03	115.3750	3.9000
186	World Bank	4½	06/20/00	110.3750	4.0800
205	World Bank	4¾	12/20/04	121.7350	3.9000
215	Spain	3.10	09/20/06	105.3750	2.9400
232	Japan Dev Bk	2⅞	12/20/06	104.1250	2.7600
243	EIB	3.00	09/20/06	105.2500	2.8500

New Zealand Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
181	New Zealand	10.00	03/15/02	109.2230	9.1600

South African Rand

Rnk	Name	Cpn	Maturity	Price	Yield
188	EBRD	zero	04/07/27	3.1989	12.1700

Spanish Peseta

Rnk	Name	Cpn	Maturity	Price	Yield
126	Spain	7.90	02/28/02	107.5340	7.3500
165	Spain	6¾	04/15/00	102.9890	6.5500
197	Spain	10.10	02/28/01	114.2950	8.8400
207	Spain	8.80	04/30/06	113.3670	7.7600
237	Radio TV Esp	9½	12/20/04	96.9557	9.8000

Swedish Krona

Rnk	Name	Cpn	Maturity	Price	Yield
82	Sweden	11.00	01/21/99	109.8590	10.0100
166	Sweden	10¼	05/05/00	112.9440	9.0800
171	Sweden	10¼	05/05/03	118.2010	8.6700
176	Sweden 1037	8.00	08/15/07	105.4740	7.5800
206	Sweden	6½	10/25/06	95.3780	6.8100
221	Sweden	5½	04/12/02	96.8800	5.6800

U.S. Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
6	Brazil Cap S.L.	4½	04/15/14	83.6284	5.3800
8	Argentina par L	5¼	03/31/23	63.1875	8.3100
30	Argentina FRN	6¾	03/29/05	87.8456	7.6800
34	Argentina	11¾	01/30/17	103.2088	11.0200
42	Brazil L FRN	6⅝	04/15/06	88.7906	7.7400
50	Mexico	11½	05/15/26	104.8172	10.9700
55	Venezuela FRN	6½	12/18/07	85.7500	7.5800
57	Bulgaria FRN	6 9/16	07/28/11	60.7500	10.8000
60	Venezuela par A	6¾	03/31/20	69.7500	9.6800
62	Brazil FRN	6½	01/01/01	98.0188	6.6300
77	Mexico par B	6¼	12/31/19	70.8750	8.8200
80	Brazil S.L FRN	6 5/16	04/15/12	79.3413	8.7400
81	Brazil par Zl	5¼	04/15/24	62.4063	8.4100
87	Brazil S.Zl FRN	6⅞	04/15/24	79.8438	8.6100
92	EIB	7¼	04/23/07	100.7467	7.2000
95	Mexico par A	6¼	12/31/19	70.8750	8.8200
98	Ecuador FRN	3¼	02/28/15	59.3735	5.4700
102	Ecuador par	3.00	02/28/25	42.1250	7.1200
104	Ford Credit FRN		04/22/04	100.0000	n.a.
108	Russia	9¼	11/27/01	98.1250	9.4300
109	Bulgaria FRN	6 9/16	07/28/24	62.6250	10.4800
125	Mexico	11¾	09/15/16	104.3750	10.9000
130	Bca Com Ext.	7¼	02/02/04	91.8750	7.8900
139	Brazil	8⅞	11/05/01	101.1096	8.7800
141	Poland	4.00	10/27/14	80.4375	4.9700
142	Argentina	11.00	10/09/06	105.8750	10.3900
143	Italy	6⅞	09/27/23	90.6034	7.5900
144	Sallie Mae	4½	08/02/99	95.3750	4.7200
146	Mexico D FRN	6.352	12/28/19	87.3750	7.2700
147	Venezuela par B	6¾	03/31/20	69.6250	9.6900
151	Brazil	4½	04/15/14	83.6094	5.3800
153	Brazil	6.00	09/15/13	72.2933	8.3000
155	App Global FRN	10.285	04/17/02	98.2107	10.4700
156	Bulgaria	2¼	07/28/12	44.9063	5.0100
157	Bk China FRN	6⅝	04/23/04	99.8300	6.4400
167	Argentina FRN	6⅝	03/31/23	81.0625	7.8600
168	Mexico FRN	7⅝	08/06/01	101.4376	7.5200
169	Ford Motor FRN	5.977	01/17/02	99.8000	5.9900
170	Canada	6¾	08/28/06	97.8217	6.9000
173	Tokyo Elec Pwr	7.00	02/13/07	98.0728	7.1400
177	British Gas	zero	11/04/21	14.8750	8.0700
179	Ecuador FRN	6¾	02/28/25	66.2500	9.7200
183	Denmark	5.90	04/20/00	96.5113	6.1100
184	Argentina	8⅜	12/20/03	98.3750	8.5100
190	PanamaFRN	4.00	07/17/16	81.5000	4.9100
192	Peru	4.00	03/07/17	59.2500	6.7500
196	Brazil S.L FRN	6 9/16	04/15/09	84.1875	8.2400
208	CMH	7.00	04/02/02	99.8750	7.0100
210	Mexico	9⅞	01/15/07	104.0000	9.5000
211	MBL Intl Fin	3.00	11/30/02	101.6250	2.9500
213	Cargill	6¼	03/13/00	98.3750	6.3500
216	DSL	6⅜	04/17/00	99.1250	6.4300
217	Mexico B FRN	6⅛	12/31/19	90.8665	7.0200
222	CADES	6½	03/11/02	98.0000	6.6300
223	Panama	3½	07/17/14	71.1250	4.9200
224	IADB	6⅝	03/07/07	96.6589	6.8500
227	Finland	7⅞	07/28/04	104.3750	7.5400
229	Nigeria	6¼	11/15/20	63.2188	9.8900
233	World Bank	6⅝	08/21/06	97.0000	6.8300
234	Argentina FRN	5½	04/01/01	128.6500	4.2700
235	Mydfa Tr FRN	6 9/16	09/15/07	85.8759	7.6400
240	Poland par	3.00	10/27/24	53.7188	5.5800
245	Ontario	7⅜	06/04/02	102.8750	7.5300
248	Italy	6.00	09/27/03	95.0000	6.3200
250	CADES FRN	5⅜	12/10/01	99.5900	5.3900

Bonds Gird for Evidence of Inflation

Compiled by Our Staff From Dispatches

NEW YORK — Bond investors are bracing for 16 economic reports this week that are expected to give the Federal Reserve Board more reason to raise interest rates in May.

"It's a big week and the market has reason to be worried," said Scott Grannis at Western Asset Management.

When the dust settles, yields on 30-year Treasury bonds will probably be about 7.25 percent, analysts said. The yield finished Friday at 7.14 percent, up from 7.07 percent the previous week, as the market absorbed a heavy supply of corporate and municipal debt.

The epicenter of this week's flood of data will be the first-quarter employment cost index released Tuesday, which is likely to the confirm the market's fears of increasing wage inflation, analysts and traders said.

For months the market has looked to, if not feared, the employment cost index, because recent employment reports have

U.S. CREDIT MARKETS

shown a low unemployment rate and increased wages for hourly workers.

"There's a lot of data to digest, but ECI is the most important," said Mark Sauvigne, a vice president at Chase Securities in New York.

The index is expected to have risen to a 3 percent year-over-year increase. Donald Fine, chief market analyst at Chase Asset Management, said anything above 3.1 percent was likely to disturb traders.

The government also will release its first look at first-quarter gross domestic product on Wednesday and April's jobs figures on Friday. Manufacturing, consumer confidence and personal spending reports, and others, also are due.

Investors will scour the releases for clues to the economy's strength and the threat of quickening inflation, which eats into the value of fixed-income securities.

"The numbers will continue to build the case" for Fed action, said Vic Thompson at State Street Global Advisors in Boston. He says the Fed will raise its target for overnight borrowing to 5.75 percent from 5.5 percent at a policy meeting May 20. The Fed raised the federal funds rate by a quarter point to 5.50 percent on March 25, its first increase in two years.

(Bloomberg, Market News, NYT)

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Asian Bank Corp.	$100	2002	0.65	100.00	—	Over 6-month Libor. Private placement redeemable at par from 2000. Fees 0.30%. Denominations $250,000. (Deutsche Morgan Grenfell.)
Chase Manhattan Corp.	$500	2002	0.05	99.914	—	Over 3-month Libor. Callable at par in 2000. Fees 0.175%. Denominations $10,000. (Chase Manhattan Intl.)
MBNA Master Credit Card Trust 2	$537.5	2004	0.08	100.00	—	Over 3-month Libor. Average life 4.94 years. Also $56.25 million paying 0.28 over Libor. Fees 0.275%. (J.P. Morgan Securities.)
Yamazen	$100	2002	0.23	100.00	—	Over 6-month Libor. Noncallable private placement. Fees 0.30%. Denominations $100,000. (Fuji Intl Finance.)
National Bank of Canada	DM250	2002	1/16	99.966	—	Over 3-month Libor. Noncallable. Fees 0.15%. (Salomon Brothers Intl.)
Fondo de Titulizacion Hipotecaria Hipotebansa V	SP38,025	2018	0.11	100.00	—	Over 3-month Libor. Average life 4.5 years. Fees 0.20%. (Morgan Stanley Intl.)
Caisse Centrale Desjardins du Quebec	C$300	2002	1/16	99.8935	—	Over 3-month Bankers' Acceptance rate. Noncallable. Fees 0.1875%. (Barclays de Zoete Wedd.)
African Development Bank	Y10,000	2003	0.40	100.30	—	Over 6-month Libor. Noncallable private placement. Fees 0.30%. Denominations 100 million yen. (Norinchukin Intl.)
Fixed-Coupons						
Bayerische Vereinsbank	$200	2000	6¼	101.0585	99.65	Reoffered at 99.871. Noncallable. Fees 1⅛%. (Salomon Brothers Intl.)
Carrefour	$250	2000	6⅞	101.15	99.73	Reoffered at par. Noncallable. Fees 1⅛%. (Barclays de Zoete Wedd.)
Copel	$150	2005	9¾	99.618	—	Semiannually. Redeemable at 99.099 in 2002. Fees not disclosed. (Santander Investment.)
First national bank of Chicago	$250	2000	7	101.015	99.81	Callable? Fees? (Lehman Brothers Intl.)
Housing New Zealand	$200	2004	7¼	99.658	99.25	Noncallable. Fees 0.325%. (CS First Boston.)
Kyushu Electric Power	$300	2007	7¼	99.535	98.77	Noncallable. Fees 0.35%. (Goldman Sachs Intl.)
LB Schleswig-Holstein	$100	2001	6¾	101.06	99.17	Reoffered at 99.66. Noncallable. Fees 1⅛%. (Kredietbank.)
Nippon Telegraph & Telephone	$500	2002	6¾	100.742	98.98	Reoffered at 99.117. Noncallable. Fees 1⅞% (Goldman Sachs Intl.)
Norddeutsche LB	$157	1998	6.34	100.00	99.33	Semiannually. Noncallable. Fees 0.15%. Denominations $100,000. (Merrill Lynch Intl.)
Rabobank Australia	$150	2001	3¼	90.227	—	Reoffered at 88.827. Noncallable. Fungible with outstanding issue, raising total amount to $300 million. Fees 1⅛%. (UBS.)
World Bank	$300	2001	6⅝	101.082	99.37	Reoffered at 99.682. Noncallable. Fees 1⅞%. (SBC Warburg.)
Deutsche Ausgleichsbank	DM1,500	2007	6	99.925	99.50	Noncallable. Fees not available. (HSBC Trinkaus.)
DSL Finance	DM250	2003	5¼	101.848	99.65	Reoffered at 99.998. Noncallable. Fees 2⅛%. (ABN-AMRO Hoare Govett.)
Porsche Intl Finance	DM200	2002	4⅞	102.09	100.20	Reoffered at 99.84. Noncallable. Fees 2%. (Deutsche Morgan Grenfell.)
Merrill Lynch & Co.	£100	2002	7¾	101.045	—	Reoffered at 99.47. Noncallable. Fees 1⅞%. (Merrill Lynch Intl.)
SPI Finance	£125	perpt	8¾	99.182	—	Callable at par in 2007, when coupon may be reset. Fees 0.625%. (Merrill Lynch Intl.)
Banque Nationale de Paris	FF1,250	perpt	6½	99.907	—	Interest will be 6½% until 2007, when issue is callable at par, thereafter 2.00 over 3-month Pibor. Fees 0.625%. (Banque Nationale de Paris.)
Bear Stearns & Co.	FF1,000	2003	5¾	100.49	99.63	Reoffered at 98.965. Noncallable. Fees 1⅞%. (Bear Stearns Intl.)
Ford Motor Credit	FF1,500	2003	5¼	100.818	—	Reoffered at 99.293. Noncallable. Issue may be redenominated in euros after EMU. Fees 1⅞%. (Banque Nationale de Paris.)
Ford Motor Credit	FF1,500	2009	6¼	101.064	—	Reoffered at 99.514. Noncallable. Issue may be redenominated in euros after EMU. Fees 2%. (Banque Nationale de Paris.)
DSL	ITL300,000	2002	7	101.622	99.25	Noncallable. Fees 1⅞%. (Banque Nationale de Paris.)
World Bank	ITL200,000	2002	7.45	101.52	—	Reoffered at 99.95. Callable at par in 1998. Fees 1⅛%. Increased from 150 billion lire. (Credito Italiano.)
BNG	DF500	2012	6⅛	100.565	—	Reoffered at 98.94. Noncallable. Fees 2%. (ABN-AMRO Hoare Govett.)
MBNA America/Europe Structured Offering 1	DF750	2007	6	101.505	99.29	Reoffered at 99.83. Noncallable. Fees 2%. (Morgan Stanley Intl.)
Argentina	SP20,000	2002	7½	100.00	—	Noncallable. Fees 0.62%. (Banco Santander de Negocios.)
World Bank	SP15,000	2000	5⅜	101.02	—	Noncallable. Fees 1⅛%. (Banco Santander de Negocios.)
CLF-Dexia France	ECU20	2002	5⅝	102.15	100.15	Noncallable. Issue will be redenominated in euros after EMU. Fungible with outstanding issue, raising total amount to 120 million Ecus. Fees 1⅞%. (Banque Intle a Luxembourg.)
Deutsche Finance Netherlands	SAR3,000	2027	zero	2.95	2.98	Yield 12.46%. Reoffered at 2.80. Noncallable. Proceeds 83.8 million rand. Fees 0.25%. (Deutsche Morgan Grenfell.)
Swedish Export Credit	SAR3,000	2017	zero	7.043	6.73	Yield 14.19%. Noncallable. Proceeds 140 million rand. Fees 0.50%. (Hambros Bank.)
World Bank	SAR1,000	2012	zero	13.88	13.45	Yield 14.07%. Reoffered at 13.58. Noncallable. Proceeds 136 million rand. Fees 0.50%. (J.P. Morgan Securities.)
African Development Bank	Y15,000	2007	3	100.35	—	Interest paid in Australian dollars. Noncallable private placement. Fees 0.35%. Denominations 100 million yen. (Daiwa Europe.)
Equity-Linked						
Leader Universal Holdings	$96	2004	2¼	100.00	—	Redeemable at 129.30 in 2002 to yield 7.77%. Convertible at 5.533 ringgit per share, a 10% premium, and at 2.5047 ringgit per dollar. Fees not disclosed. (Bankers Trust Intl.)
AGF Assurances	FF4,000	2010	3½	100.00	—	Redeemable at 143 at maturity to yield 5.78%. Convertible at 220 francs per share, a 15.50% premium. Fees 2½%. (Goldman Sachs Intl.)

The Week Ahead: World Economic Calendar, April 28-May 2

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Singapore:** Electronic Data Interchange conference and exhibition. Monday and Tuesday. **Sydney:** Australian Derivatives Forum. Monday and Tuesday. **Brisbane:** Australian Meat and Livestock industry annual meeting. Tuesday through Friday.	**Brussels:** Conference on regional development, featuring President Jacques Santer of the European Commission. Tuesday and Wednesday.	**New York:** Global banking conference, organized by Union Bank of Switzerland. Monday through Friday. **Chicago:** Institute of Management Consultants annual conference. Friday through Saturday.
Monday April 28	**Tokyo:** Industrial production, retail sales and auto import data and corporate service price index for March. **Earnings:** Baltrans Holdings, Founder, Lion Nathan.	**Copenhagen:** Wholesale price index for March. **Paris:** Business confidence survey data for April. **Earnings:** Atlas Copco, Bouygues, Svenska Cellulosa.	**Buenos Aires:** Industrial production data for March. **Mexico City:** Manufacturing output data for February. **Washington:** New home sales data for March. **Earnings:** Boeing, Tyson Foods.
Tuesday April 29	**Kuala Lumpur:** Telekom Malaysia meeting for shareholders to vote on the proposed bonus issue of one new share for every two shares held. **Earnings:** Tianjin Bohai, Tingyi Holdings.	**Bern:** Consumer price index for April. **Brussels:** Inflation data for April. **Oslo:** Current account data for February. **Earnings:** Banco Santander, Electrolux, Nokia, Pharmacia & Upjohn.	**Mexico City:** Foreign reserves figures. **Ottawa:** Employment insurance data for February. **Washington:** Durable goods orders data for March, employment cost index for first quarter.
Wednesday April 30	**Tokyo:** Housing and construction starts and overtime data for March. **Earnings:** ICI Australia, Newcrest Mining.	**Helsinki:** Gross domestic product data for February. **Paris:** Employment data for March. **Earnings:** BAT Industries, Schoellerbank, Zurich Insurance.	**Chicago:** Purchasing Management Association of Chicago to release manufacturing index for April. **Ottawa:** Gross domestic product data for February. **Washington:** Initial estimate of gross domestic product for first quarter.
Thursday May 1	**Sydney:** Commodity price data for April. **Tokyo:** Foreign-currency reserves as of the end of April; vehicle sales for April.	**Vienna:** Central bank's weekly council meeting to consider interest-rate policy. **Earnings:** Royal Dutch Petroleum.	**Ottawa:** Business conditions survey data for April. **Washington:** Personal income and spending and construction spending data for March.
Friday May 2	**Sydney:** Treasurer Alan Stockdale of Victoria state addresses Treasury Corp. of Victoria.	**Copenhagen:** Data on foreign currency reserves for February. **Stockholm:** New car registrations for April. **Voorburg, Netherlands:** Retail sales data for the first quarter. **Earnings:** Unilever.	**Lima:** Inflation data for April. **Santiago:** Inflation data for April; industrial production and sales data for March and employment data for the quarter ended March. **Washington:** Employment data for April.

Last Week's Markets

Stock Indexes

	Apr. 25	Apr. 18	% Ch'ge
United States			
DJ Indus.	6,738.87	6,703.55	−0.53
DJ Util.	209.47	213.18	−1.74
DJ Trans.	2,512.74	2,501.33	+0.46
S & P 100	748.12	746.85	+0.17
S & P 500	765.37	766.34	−0.13
S & P Ind	902.27	902.69	−0.05
NYSE Cp	400.38	402.64	−0.56
Nasdaq Cp	1,209.29	1,222.57	−1.09
Japan			
Nikkei 225	18,612.86	18,352.14	+ 1.42
Britain			
FTSE 100	4,369.70	4,310.50	+ 1.37
Canada			
TSE Indus.	5,836.30	5,826.30	+0.17
France			
CAC 40	2,536.26	2,547.56	− 0.44
Germany			
DAX	3,374.10	3,344.39	+ 0.89
Hong Kong			
Hang Seng	12,645.76	12,541.18	+ 0.83
World			
MSCIP	827.33	813.21	+ 1.74

World Index from Morgan Stanley Capital Intl Perspective.

Money Rates

	Apr. 25	Apr. 18
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds rate	5 5/16	5 5/16
Japan		
Discount	0.50	0.50
Call money	0.44	0.45
3-month interbank	0.68	0.59
Britain		
Bank base rate	6.00	6.00
Call money	6.00	5 15/16
3-month interbank	6 3/16	6 5/16
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 3/16
3-month interbank	3 5/16	3⅜
Germany		
Lombard	4.50	4.50
Call money	3.08	3.10
3-month interbank	3.25	3.27

Gold	Apr. 25	Apr. 18	% Ch'ge
London p.m. fix $	342.25	342.10	+ 0.04

Euromarts

Eurobond Yields

	Ap. 25	Apr. 18	Yr high	Yr low
U.S. $, long term	7.08	7.05	7.08	6.53
U.S. $, mdm term	6.82	6.78	6.82	6.10
U.S. $, short term	6.44	6.49	5.46	4.92
Pounds sterling	7.69	7.68	7.75	7.09
French francs	4.89	5.01	5.02	4.66
Italian lire	7.43	7.38	7.78	6.98
Danish kroner	5.73	5.77	5.92	5.38
Swedish kronor	5.49	5.56	5.61	4.82
ECUs, long term	6.22	6.26	6.32	5.76
ECUs, mdm term	5.34	5.29	5.36	4.76
Can. $	6.38	6.49	6.51	5.70
Aus. $	7.50	7.67	7.86	7.11
N.Z. $	8.00	8.33	8.39	7.19
Yen	1.64	1.65	1.94	1.64

Source: Luxembourg stock exchange.

Weekly Sales

April 24

Primary Market

	Cedel Bk $	Cedel Bk Nons	Euroclear $	Euroclear Nons
Straights	232.0	48.4	778.2	951.7
Convert.	15.0	0.1	115.0	287.6
FRNs	286.7	1,178.7	1,308.0	294.4
ECP	12,826.3	7,557.1	11,750.8	10,694.2
Total	13,360.0	8,784.3	13,952.0	12,238.9

Secondary Market

	Cedel Bk $	Cedel Bk Nons	Euroclear $	Euroclear Nons
Straights	20,891.6	18,333.3	67,523.5	29,317.4
Convert.	982.0	696.6	3,111.2	1,316.6
FRNs	19,323.2	4,192.3	41,039.8	6,477.2
ECP	12,174.7	11,873.9	21,713.5	29,893.4
Total	53,371.5	37,096.1	133,388.	67,004.6

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5 11/16	5⅞	6
Deutsche mark	3 3/16	3¼	3⅜
Pound sterling	6¼	6½	6¾
French franc	3⅜	3½	3⅝
ECU	4⅛	4 3/16	4¼
Yen	9/16	9/16	⅝

Sources: Lloyds Bank, Reuters.

مكتبة الأهرام

SHORT COVER

Waigel Sees Agreement on Taxes

FRANKFURT (Reuters) — Finance Minister Theo Waigel of Germany said Sunday he believed a compromise with the opposition Social Democrats on the thorny issue of tax reform was still possible despite the collapse of talks last week.

Mr. Waigel said in an interview with the newspaper Bild am Sonntag that there was scope for agreement on the center-right coalition government's proposals for a bottom tax rate of a 15 percent and a peak rate of 35 percent on corporate tax.

"A sensible peak rate for private income follows almost automatically from that," Mr. Waigel said, adding that he still saw Jan. 1, 1999, as a "realistic starting date" for the introduction of the tax-reform plan.

Airbus Seeks Lockheed's Help

BETHESDA, Maryland (Bloomberg) — Airbus Industrie has said it was in talks with Lockheed Martin Corp. to develop a 600-seat aircraft, in a move that would help the European group compete with Boeing Co.

The plane, known as the A3XX, would help Airbus break Boeing's monopoly on the market for airplanes that carry more than 400 passengers, Airbus said Saturday.

The plane could include exercise facilities and bunk beds, making it attractive to frequent fliers.

SEC Targets Singaporean Broker

WASHINGTON (Bloomberg) — The Securities and Exchange Commission accused a Singapore brokerage owner of illegally trading on inside information to net $1.3 million on the announcement that APL Ltd. would be acquired by Neptune Orient Lines Ltd.

Lum Kwan Sung, executive chairman of Lum Chun Holdings, which owns the Lum Chang Securities Pte. brokerage in Singapore, on Friday became the third person charged in the case. Ong Congqin Bobby, a Singapore resident, and Abdul Ismail of London were sued by the commission earlier this month.

The complaint, filed in federal court in New York, accused Mr. Lum of investing $4.4 million in APL shares between Feb. 25 and March 18. The planned acquisition of APL by Singapore-based Neptune, was announced April 13.

Harnischfeger Bids for Giddings

MILWAUKEE (Bloomberg) — Harnischfeger Industries Inc. has said it would begin an unsolicited tender offer to acquire Giddings & Lewis Inc. in a transaction valued at $747 million.

The value includes the assumption of Giddings & Lewis debt and the acquisition of all of Giddings & Lewis's 33.2 million shares outstanding for $19 a share, or 39 percent more than its closing share price of $13.675 on Friday. The tender offer will begin immediately, the chief executive of Harnischfeger, Jeffery Grade, said late Friday.

The acquisition, if successful, would create an industrial machinery company with combined annual revenue of $3.6 billion, Harnischfeger said.

Giddings & Lewis makes automated machine tools and assembly systems used in all kinds of factories, while Harnischfeger makes papermaking, mining and materials-handling equipment, including overhead cranes.

Hedging Undermines VW Profit

BONN (Reuters) — Volkswagen AG said it had missed out on pretax profit of around 1.3 billion Deutsche marks ($752.8 million) in 1996 by hedging itself against falls in the dollar, sterling and Deutsche mark that did not materialize.

"The number is about right," said Klaus Kocks, a VW spokesman, said Saturday, in response to a report in the weekly German magazine Der Spiegel.

Mr. Kocks said that VW's failure to profit from the hedges was the result of a deliberately low-risk hedging policy. "We can live with the accusation of being too conservative."

Der Spiegel quoted a currency expert as saying the company had not suffered a loss but had missed out on a chance to make more profit.

Earnings Expectations: Watch the Timing

Many Companies Are Beating Forecasts That Have Been Revised Downward

By Floyd Norris
New York Times Service

NEW YORK — It is too bad that the children of America don't have parents who are as understanding about grades as Wall Street is about corporate earnings.

The following conversation between Jimmy, a high school student, and his father, a portfolio manager, is strictly imaginary.

Dad: Jimmy, your report card shows three C's and two D's. I'm thrilled. And I'm raising your allowance.

Jimmy: You're what? At the beginning of the semester, I promised things would get better. I told you I'd get A's and B's. But it didn't happen.

Dad: That's true. But a month ago you said that C's were all I could hope for. And last week you said you might fail two classes. So, compared with what I had expected, you did very well. Maybe I should get you that car you've been wanting.

Jimmy: Gosh, thanks.

On Wall Street, the initial wave of earnings announcements for the first quarter has been viewed as very good. The average company, it is said, has exceeded earnings expectations for the 17th consecutive quarter. And it is true. Companies, by and large, did do better than was expected on the eve of their earnings report. Just like Jimmy.

INVESTING

They did not, however, do better than was expected at the beginning of the quarter. Or better than was expected after the quarter was a month old. As Jimmy did, companies first talked down expectations and then exceeded them.

The investment house PaineWebber Inc. keeps track of such things by checking consensus earnings estimates for more than 300 major companies at the end of the first month of the quarter, and then comparing them to the actual report. If the real number is at least 10 percent better than the forecast, it is seen as a positive surprise, and the opposite if reality is 10 percent or more below the forecast.

So far, according to Tom Doerflinger, an investment strategist at PaineWebber, 19 percent of the companies have produced positive surprises and 23 percent have produced negative ones.

As these things go, such figures are not bad. But in no way is the current earnings scene similar to the one that existed in late 1994 and early 1995, when many more companies were exceeding estimates than were falling short. "It is a solid quarter, but not like we had during the earnings boom," Mr. Doerflinger said. The biggest disappointments, he said, had been in companies selling such commodities as chemicals, papers and metals. So much for inflation fears.

Just before the earnings season began, when the stock market was nearing the end of its one-month swoon, one portfolio manager offered an explanation of why a rally was near. A lot of companies, he said, were itching to resume share buybacks, and would do so once their numbers were out and buying would not smack of using inside information.

As share prices have zoomed in recent years, there has been much speculation on what would finally slay the bull. High interest rates did not do it in 1994, and it is looking increasingly unlikely that they will do it this year. Investors really believe that the stock market is the only good long-term investment, and it may take a recession to shake that belief.

When that happens, no amount of estimate-revision will be able to conceal earnings disappointments. Until then, however, the market may get choppier and more volatile, but it is unlikely to really plunge.

Lynch and His Mantra: Predictions Are Futile

Bloomberg News

BOSTON — Peter Lynch, the former superstar portfolio manager who helped Fidelity Investments become the largest mutual fund company in the United States, said it was "futile" to try to predict the short-term direction of U.S. stocks.

"Trying to predict the future is a waste of time," Mr. Lynch said Saturday at a conference for investors. "No one I knew, for instance, was predicting in 1979-1980 that 1981-1982 would be the worst recession since World War II."

While it would be useful to know when the next recession will be, when the next bear market will be or whether interest rates will go up or down, it is naive to think anyone knows the answers, Mr. Lynch said.

"The only thing we do know is the stock market goes up more than it goes down and there will be another recession at some point in the future," said Mr. Lynch, who ran Fidelity's flagship Magellan Fund for about 13 years until he stepped down for personal reasons in 1990.

The U.S. stock market, as measured by the Dow Jones industrial average, has lost at least 10 percent of its value 52 times during the past century, Mr. Lynch said. That means the stock market falls this much once every two years on average.

Stocks have declined 25 percent or more 15 times in the past 96 years, which means investors should expect a decline of this magnitude about once every six years, Mr. Lynch said.

Instead of worrying about the market, investors should concentrate on finding stocks they think will produce strong returns for the long term, he said.

Mr. Lynch was considered one of the world's best fund managers when he was running Magellan. During his tenure, Magellan ballooned in size to $12.3 billion in assets from just $22 million and had one of the best performance records in the business. Magellan today is the world's largest mutual fund with about $51.8 billion in assets.

Since leaving Magellan, Mr. Lynch, 53, has written the best-selling books, "One Up on Wall Street" and "Beating the Street."

He did not single out any stocks that he thinks are good values today but spoke in broad terms about what investors should look for when picking stocks. The most important rule for investors is "know what you own," he said.

"If you can't explain to a 10-year-old in three minutes why you're buying a stock, don't buy it," Mr. Lynch said. "I made a lot of money over the years in stocks like Dunkin' Donuts and Stop & Shop. These are companies you know and can understand.

"There are great stocks everywhere," he said. "They're in your industry."

Nike Gets A Taste of Revolt in Indonesia

Compiled by Our Staff From Dispatches

JAKARTA — An Indonesian factory that produces shoes for the U.S. athletic-wear maker Nike Inc. shut down for the weekend after protests over wages by thousands of workers.

Workers ransacked an office and damaged cars Friday in a protest following the failure of PT Hardaya Aneka Shoes Industri to immediately implement a pay rise, to $2.50 a day. The company is under contract to Nike.

Jim Small, a Nike spokesman, said Saturday that the dispute had been resolved, with employees winning a 10.7 percent pay increase. An executive of the plant said that the situation had "returned to normal," but that the plant would remain closed until Monday.

Almost half the factory's 10,000 employees took part in demonstrations on Friday, according to local media.

Mr. Small, speaking Saturday night from Miami, said the settlement was a relief, but raised concerns. He said wages in Indonesia have increased threefold in the last two years and "there's concern what that does to the market — whether or not Indonesia could be reaching a point where it's pricing itself out of the market."

Nike will not pay more to the factory as a result of the increased wages, Mr. Small said. *(AP, Reuters)*

Russia to Opt for Money from World Bank Instead of IMF

Agence France-Presse

MOSCOW — Russia does not expect to receive any more major credits from the International Monetary Fund once it completes disbursement of a $10.3 billion loan, a first deputy prime minister, Anatoli Chubais, said Sunday.

"The IMF will in future put an end to its activities in Russia, and the credit is the last major loan," the Interfax news agency quoted Mr. Chubais as saying en route to Washington for meetings with Fund officials.

Mr. Chubais said that loans from the World Bank would take the place of Fund credits and that those loans would no longer be aimed at stabilizing the ruble and controlling inflation but instead would finance investment projects.

"We simply no longer need the kind of loans" the IMF provides, Mr. Chubais said, noting that inflation in the first quarter was just over 5 percent against 10 percent in the first quarter of 1996.

President James Wolfensohn of the World Bank has said that the agency could provide Russia up to $6 billion over the next two years.

The International Monetary Fund has suspended payments of its loan, citing concerns over tax collection and other aspects of structural reform in Russia. But the managing director of the Fund, Michel Camdessus, said last week that lending would likely resume next month.

Mr. Chubais has handled negotiations with the Fund and other international lending organizations since his return to government last month.

■ Fund Broadens Rules

The Fund has agreed to broad guidelines for determining countries that qualify for new debt relief, which should benefit Ivory Coast, Guyana, Yemen, Congo and Mauritania, Reuters reported from Washington.

Philippe Maystadt, head of the Fund's policy-making Interim Committee, said Saturday that the guidelines would allow the countries to benefit from an initiative, to be carried out jointly by the Fund, World Bank and Paris Club of creditor nations, aimed at reducing debt among poor, heavily indebted nations.

The Fund approved a debt-relief plan for Uganda this week, making it the first to benefit from the initiative.

Altogether, 15 to 20 countries should benefit from the initiative, Mr. Maystadt said, estimating its cost at $5.5 billion to $8.4 billion.

AIRLINE: *Time Is Running Out for a Deal at US Airways*

Continued from Page 11

believed its position was "extremely reasonable in light of industry trends and the profitability of the company and the industry."

Mr. Gardner said the pilots share management's belief that the only path for the company is to grow, not downsize.

Mr. Wolf said he was not seeking a confrontation with the airline's employees, telling them it was their choice to try to expand the airline or do nothing and downsize.

In a nationwide series of meetings with the employees, Mr. Wolf said that US Airways was at a crossroads: The carrier could grow and become one of the nation's major airlines or it could shrink and return to its roots as a regional carrier with significantly fewer employees. Cuts almost certainly would include most of the 2,000 employees at the airline's Baltimore operation.

Downsizing the airline would clearly be a big defeat for Mr. Wolf, who gained his reputation rescuing such airlines as Continental, Republic, Flying Tiger and United, taking on unions in almost every case.

The problems at US Airways underscore the changing nature of the airline industry. The carrier is at the epicenter of the latest economic aftershocks of airline deregulation.

The influx of low-fare competition from airlines such as Southwest, ValuJet and Delta's low-cost operation, Delta Express, have suddenly turned the eastern half of the nation into a cut-rate battlefield where US Airways often finds itself flying full planes at a loss because of its labor costs.

Because of the labor contracts it has negotiated over the years and a somewhat inefficient route structure it operates, US Airways has the highest labor costs of any U.S. airline. Labor accounts for 37.85 percent of the airline's operating costs, according to Avitas, an industry research group.

For this reason, in part, the carrier last year had the highest cost-per-available-seat mile of any of the major U.S. airlines at 12.69 cents. The industry leader is Southwest, with a per-seat cost of 7.5 cents.

Since taking over the airline, Mr. Wolf has changed its name from USAir to US Airways, repainted the planes and markedly improved service and performance at the once dowdy carrier. The name change is intended to boost the notion of the airline as a major carrier. The new blue and gray color scheme is vintage Wolf, who chose the same colors — in reverse — for United Airlines several years ago.

Mr. Wolf and the airline's unions point with pride to US Airways' improvement last year in on-time performance rankings, moving from seventh to first, and in ranking second only to Southwest in the fewest customer complaints.

Since January 1996, US Airways stock has risen from $13.375 a share to $29.375, at the close Friday on the New York Stock Exchange.

If he gets the contract concessions, Mr. Wolf said he wants to take on the low-cost competition in the East while vastly expanding international service, including creation of a major Midwestern hub to help service the international traffic.

Last year US Airways ended its alliance with British Airways PLC after the European carrier signed a marketing agreement with American Airlines. British Airways owned 24.6 percent of the company, which it is now preparing to sell.

Negotiations between the company and the pilots continue, but little progress has been reported.

"We're having very wonderful collegial discussions, but that's all they are," discussions," said Rakesh Gangwal, president of US Airways, in describing the state of negotiations at the Baltimore meeting. "And while we talk, the competition acts. Our competition is wishing us a few more years of collegial discussions."

The key issue, according to sources familiar with the talks, is just how much of US Airways' future operations will be run as a low-cost, low-fare carrier with lower pay and far fewer work rules for its pilots, who currently earn an average of $120,000 a year.

Company officials insist the concessions being sought by the airline should not cause great financial pain to union employees.

The real target is the work rules, such as a scheduling system for pilots and flight attendants that means that, on any given day, the company does not know by noon who will fly 50 percent of its planes the following day.

It is a complex system of bumping rights and seniority rules that allows many crew members to wait until the last minute before deciding whether they want to fly. US Airways employs 225 people to handle scheduling, compared with 100 people for United Airlines, which is much larger.

Mr. Wolf said in Baltimore that he was confident agreement could be reached on concessions.

Reading off a list of defunct airlines that negotiated concessions but waited too long to save themselves, Mr. Wolf said. "They all did it before they turned the lights out."

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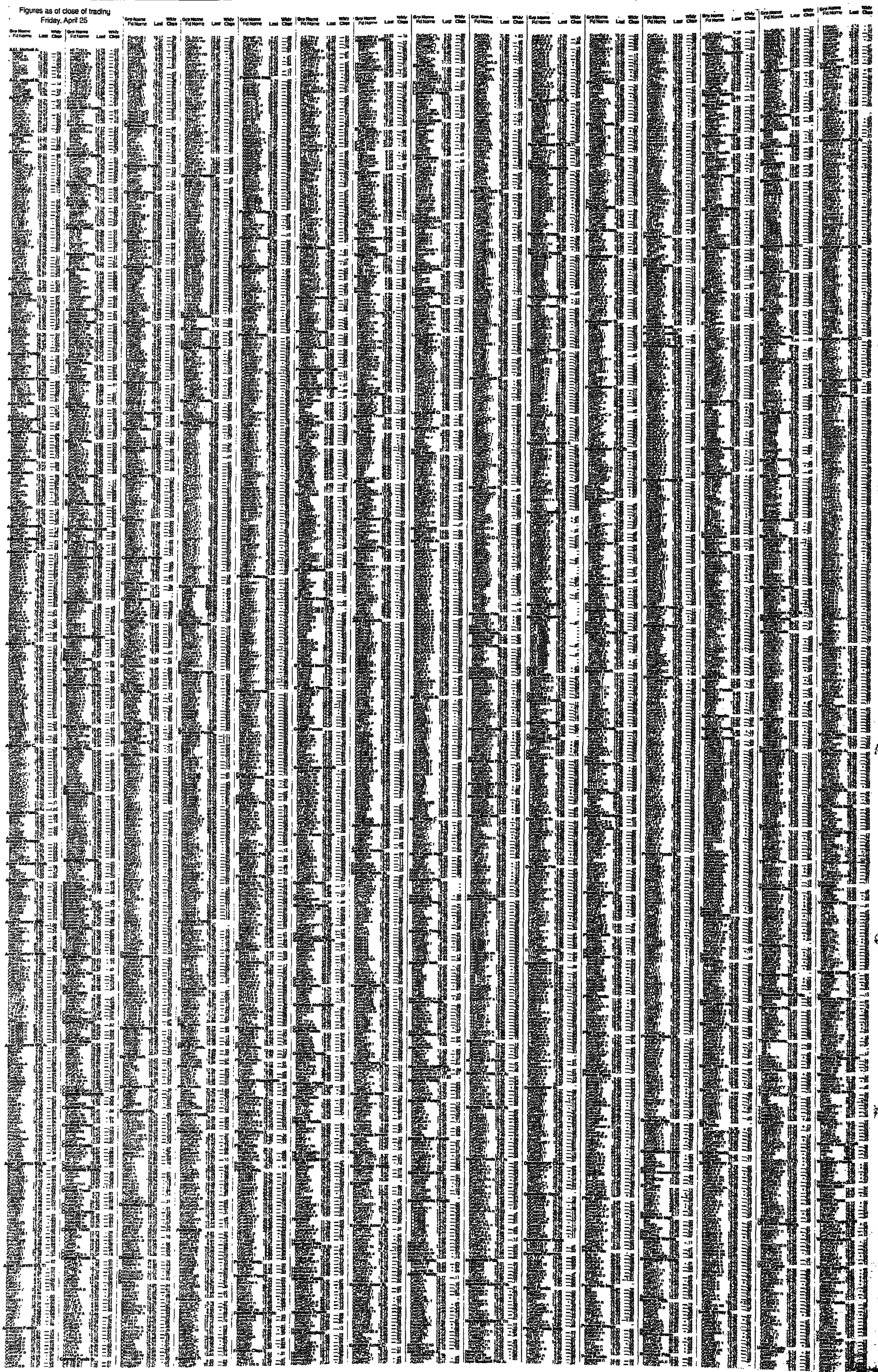
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MUTUAL FUNDS

Figures as of close of trading Friday, April 25

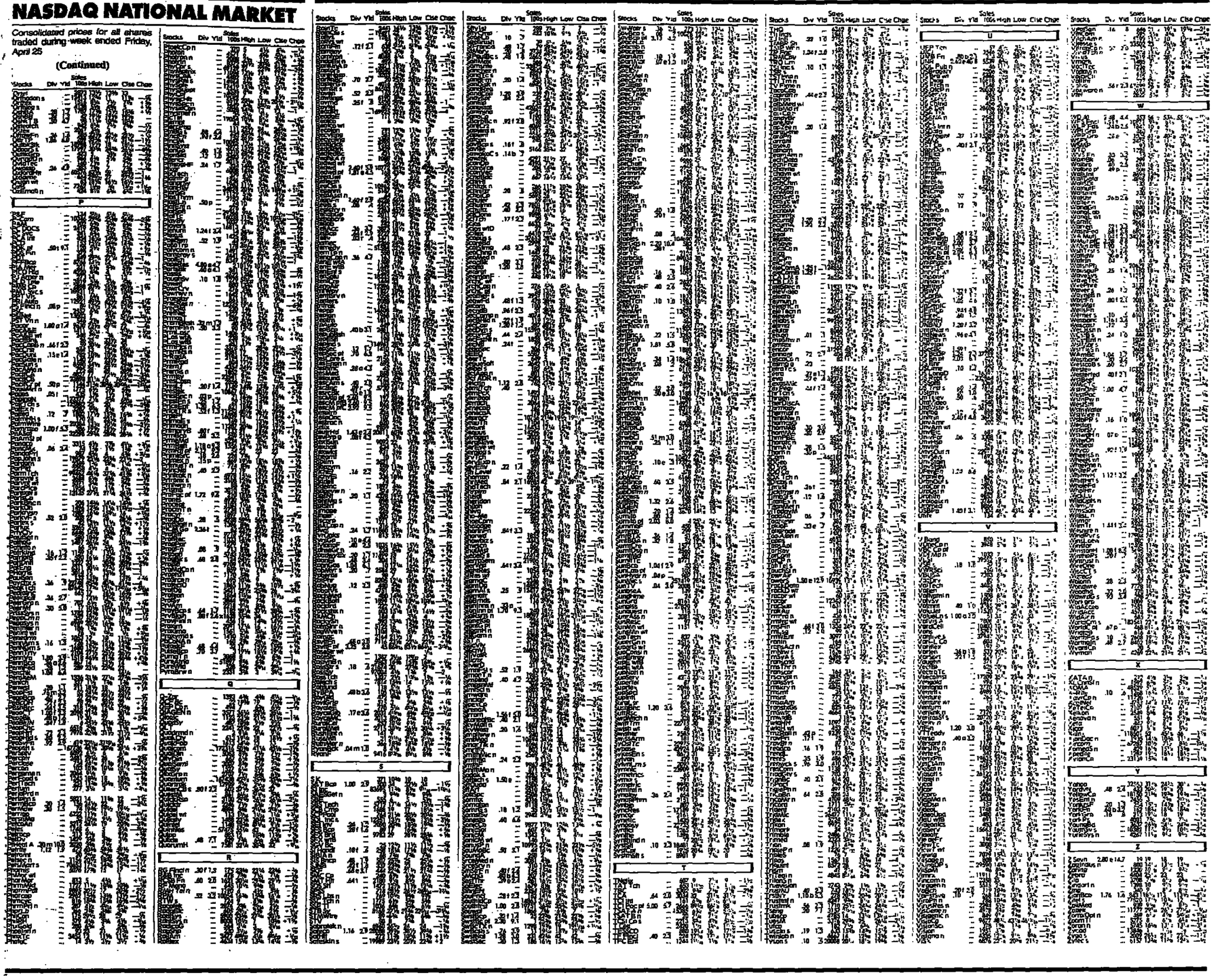


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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, April 25

(Continued)



DENNIS THE MENACE



PEANUTS



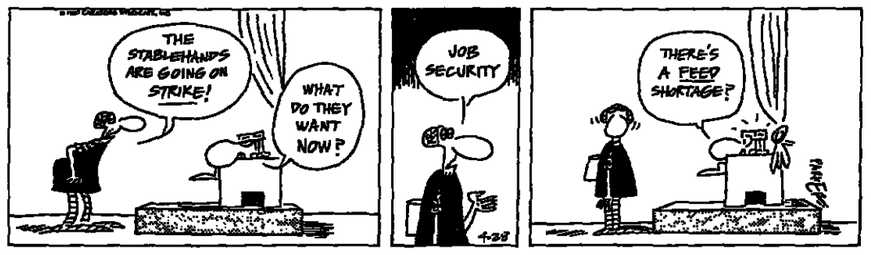
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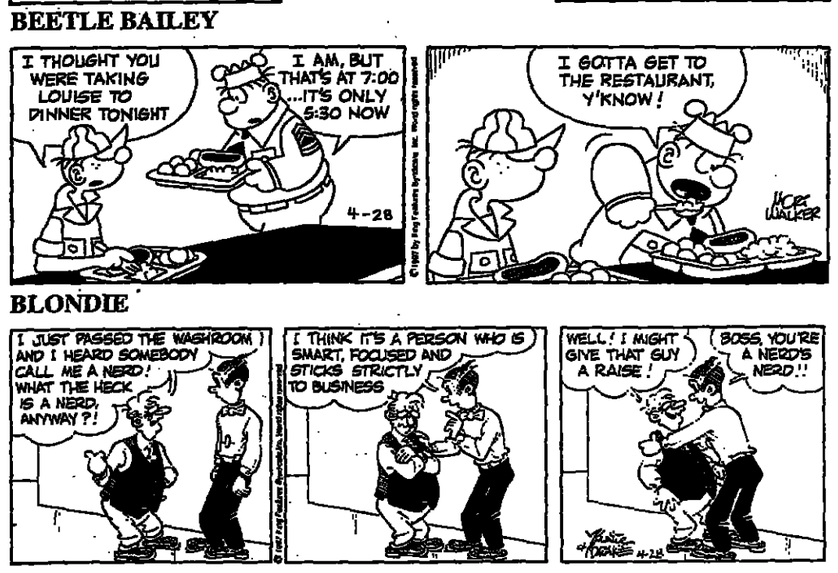
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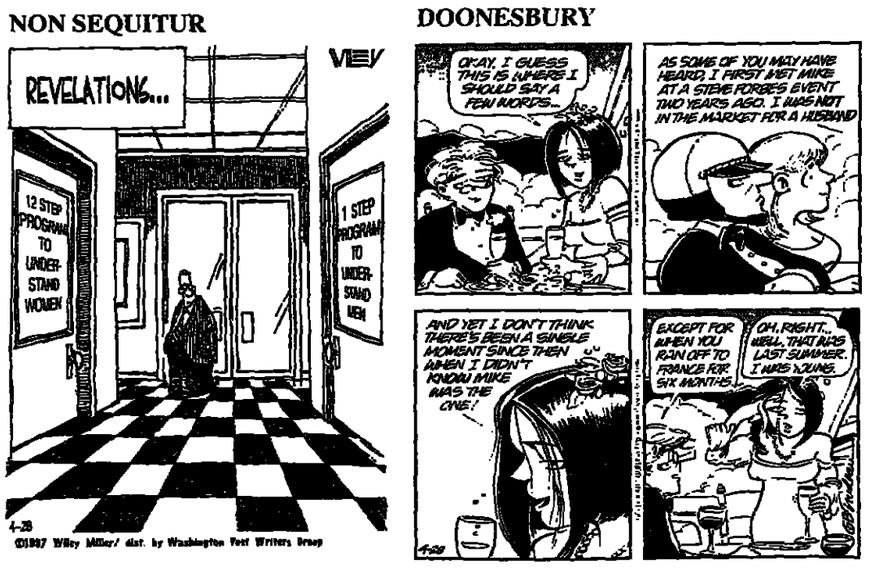
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THE WORLD'S DAILY NEWSPAPER

As Penguins Lose, Lemieux Bows Out

Brind'Amour and Lindros Score To Help Philadelphia Advance

The Associated Press

After the horn sounded to end his final game, Mario Lemieux pulled Eric Lindros close, hugged him and whispered words that signaled the end of an era.

"I just told him it was his time," said Lemieux, whose brilliant hockey career came to an end as his Pittsburgh Penguins were eliminated from

NHL PLAYOFFS

the playoffs in a 6-3 loss to Lindros's Philadelphia Flyers on Saturday night.

Lemieux, 31, had said he would retire when the season ended. He has played on two Stanley Cup winners and this year collected his sixth NHL scoring title after coming back from Hodgkin's disease and back injuries. He said the latter part of this season had been especially tough: "It was awful. I didn't have my legs. I didn't have any strength the last month of the season."

Lemieux had a goal and an assist in his final game to finish his playoff career with 155 points (70 goals and 85 assists) in 89 games.

Lindros scored 14 seconds into the game, but the Flyers' hero was Rod Brind'Amour, who scored two shorthanded goals in a 54-second span in the first period to help Philadelphia take the best-of-7 series, four games to one.

Brind'Amour tied two playoff records: most shorthanded goals in a period, and most shorthanded goals in a game.

Brind'Amour's goals allowed the Flyers to erase a 2-1 deficit after Lemieux had put the Penguins ahead with 4:26 left in the first period.

The Penguins tied the game early in the second period on a power-play goal by Ron Francis, but the Flyers pulled away with second-period goals by John LeClair and Trent Klatt.

Avalanche 6, Blackhawks 3 Colorado came back from a 3-0 deficit in Chicago to advance to the Western Conference semifinals.

The Avalanche took advantage of some foolish Chicago penalties to score six straight goals and win the series, four games to two.

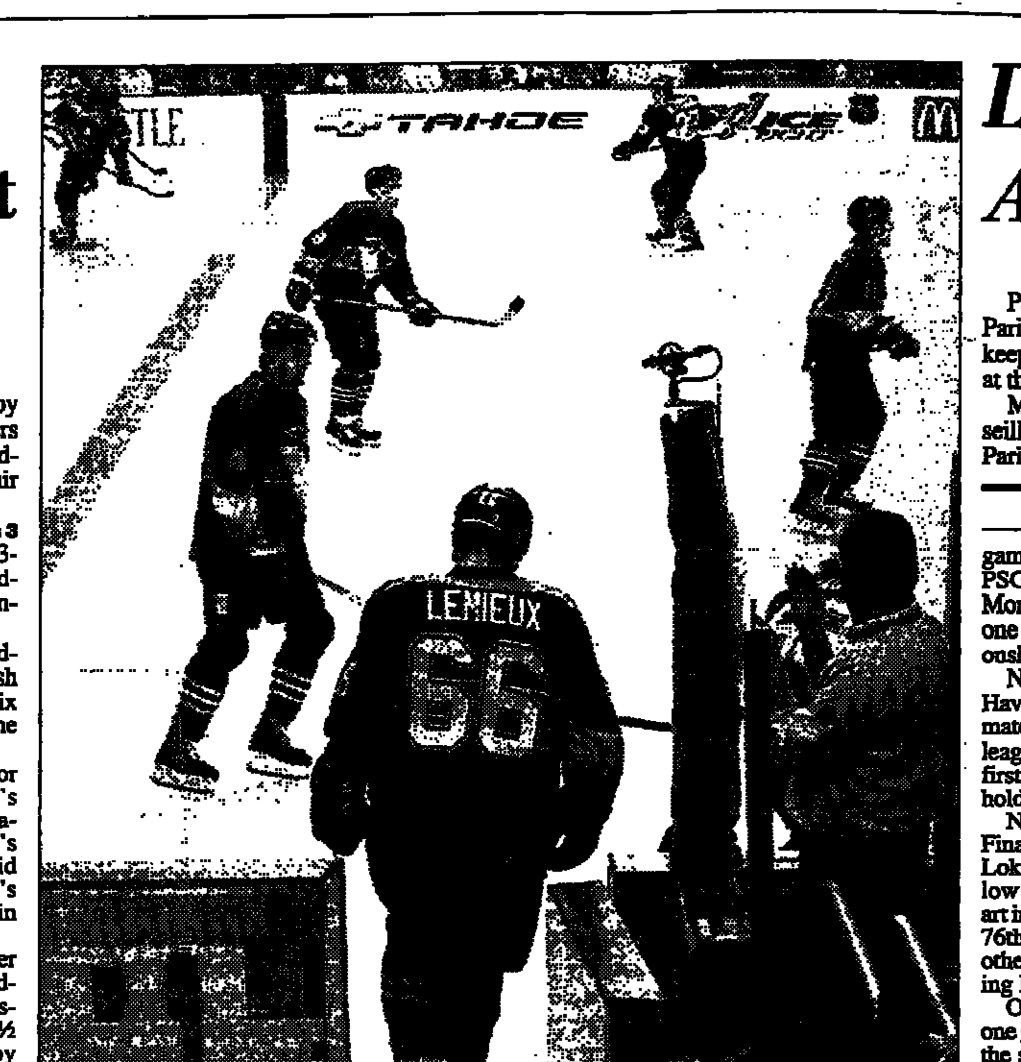
The only down note for Colorado was Keith Jones's torn anterior cruciate ligament, which the Avalanche's coach, Marc Crawford, said would end the rugged wing's season. Jones had scored in the previous three games.

Keith Carney, Gary Suter and Tony Amonte took advantage of Avalanche mistakes to score in the first 17½ minutes. But Patrick Roy stopped the final 16 shots he faced for his NHL-record 90th playoff victory and Joe Sakic sandwiched two goals around a score by Valeri Kamensky to send the game into the third period at 3-3.

The Avalanche scored three times in the third period, two of the goals coming on power plays. Over the series, Colorado scored 12 goals in its 45 power plays. The Blackhawks had 27 power plays and scored just once.

Devils 4, Canadiens 0 The Candiens could not beat Martin Brodeur, even on the power play, and made a quick exit from the playoffs.

Brodeur, the New Jersey goaltender who had a league-leading 10 shutouts in the regular season, stopped 24 shots for his first shutout of the playoffs as New Jersey won its Eastern Conference first-round series, four games to one.



Gary Hershorn/Reuters

Mario Lemieux taking the ice for the 6-3 loss that ended the Penguins' season.

Russia and Slovakia Battle to 2-2 Draw

Reuters

HELSINKI — Sergei Petrenko scored a goal just 16 seconds into the game on Sunday in the World Ice Hockey championships, but Russia was still held to a 2-2 draw by Slovakia.

After Petrenko scored on a rebound off the Slovak goalkeeper, Jaromir Dragan, Russia went nearly 52 minutes before scoring again. Slovakia scored twice in the second period as the Russian netminder, Maxim Mikhailovsky, was badly out of position.

United States 5, Latvia 4 In Turku, in the other qualifying group, the United States needed a goal late in the third period from the Washington Capitals' winger, Todd Krygier, to secure a victory over Latvia in its opening match.

With 6:23 remaining, Krygier picked up his own rebound and snapped a wrist shot past Juris Klodans. The Americans had watched a 4-1 lead disappear as Latvia, playing in its first world championship since 1939, stormed back with three third-period goals.

Loko Hits 4 to Sink Nice And Delay Monaco's Title

Compiled by Our Staff From Dispatches

Patrice Loko scored four goals Sunday as Paris St. Germain beat Nice 5-0 in Paris to keep alive its slim hopes of catching Monaco at the top of the French league.

Monaco, which tied 1-1 at home with Marseille on Saturday, holds a 9-point lead over Paris St. Germain. Both teams have just four

EUROPEAN SOCCER

games left and even after Sunday's victory PSG's goal difference is nine goals worse than Monaco's, so one more victory for Monaco on one defeat for PSG will send the championship to the principality.

Nice had already been relegated after Le Havre drew 1-1 at Rennes on Saturday's matches. The bottom four teams in the 20-team league are relegated. Nice lies bottom of the first division 16 points behind Le Havre, which holds 16th place, the last secure position.

Nice, which has reached the French Cup Final, held on until the 38th minute. Then Loko broke through and scored with a crisp low shot. He gave a clinic in the goalscorer's art in the second half, adding goals in the 68th, 76th and 90th minute. Benoit Cauet scored the other goal in the 81st minute, narrowly beating Loko to the ball.

On Saturday Monaco had to fight back from one goal down after Xavier Gravelaine opened the scoring in the 35th minute, dribbling past Fabien Barthez, the goalkeeper, to score.

Monaco pressed in the second half and in the 62d minute Sylvain Legwinski nodded home from a corner.

GERMANY Bayern Munich cemented its grip on first place in the Bundesliga on Saturday with its best performance of the season, a 5-0 thrashing of struggling Fortuna Duesseldorf.

Borussia Dortmund, which has reached the European Cup final, was without a clutch of first-team players and weakened its chances of a third successive title when it lost 2-0 at Arminia Bielefeld.

With five matches remaining, Bayern leads Bayer Leverkusen, 2-1 home winners over Werder Bremen on Friday, by three points.

Bayern took the lead after six minutes when Christian Nerlinger scored with a shot from outside the penalty area. Mario Basler scored the second in the 35th minute but both and three minutes later Ruggiero Rizzitelli produced a flying scissors-kick to volley home.

Juergen Klinsmann set up Alexander Zickler before halftime and Lothar Matthaeus scored following a solo run seven minutes after the break. It was his first goal for 13 months.

ENGLAND Unfashionable Barnsley clinched promotion to English soccer's top division for the first time in its 110-year history on Saturday. It beat its Yorkshire rival Bradford, 2-0, at Barnsley to secure second place in the first division.

With no premier league games ahead of England's World Cup game against Georgia next week, attention focused on the lower divisions.

Paul Wilkinson scored with a 21st minute header to put Barnsley ahead. Bradford, fighting to avoid relegation, twice hit the post before Trinidadian Clint Marcelle scored Barnsley's second goal with three minutes left.

Bolton had already clinched first place in the first division. On Sunday, Wolverhampton Wanderers beat Port Vale 2-1 to ensure that it, and not Vale, would be one of the four teams in the play-off for the third promotion place. The other three are Ipswich, Sheffield United and Crystal Palace.


Charles Platiau/Reuters

Andrej Kubica of Nice outjumping Paul Le Guen of Paris St. Germain on Sunday.

SCOREBOARD

BASKETBALL

NBA PLAYOFFS

FIRST ROUND
(BEST-OF SEVEN)
FRIDAY'S RESULTS

Detroit 18 25 15 17— 75
Atlanta 28 19 22 20— 89
D: Hill 8-19 4-5 20, Dumars 7-16 2-3 17; A: Mutombo 10-14 6-6 26, Laettner 5-13 8-8 18. Rebounds—Detroit 44 (Hill 14), Atlanta 45 (Mutombo 15). Assists—Detroit 15 (Hill 7), Atlanta 12 (Laettner 4).
(Atlanta leads series 1-0)

Washington 20 23 13 30—86
Chicago 24 23 17 34—98
W: Howard 7-15 7-9 21, Strickland 8-16 3-6 19; C: Jordan 12-25 5-5 29, Pippen 5-16 5-5 16. Rebounds—Washington 51 (Strickland 10), Chicago 58 (Pippen 10). Assists—Washington 17 (Strickland 8), Chicago 26 (Jordan 8).
(Chicago leads series 1-0)

Phoenix 28 31 26 29—106
Seattle 23 24 32 22—101
P: Chapman 12-22 9-12 42, Manning 6-10 2-2 14; S: Payton 10-23 2-2 23, Hawkins 8-11 2-2 20. Rebounds—Phoenix 48 (Johnson 7), Seattle 53 (Kemp 15). Assists—Phoenix 24 (Kidd 10), Seattle 17 (Payton 9).
(Phoenix leads series 1-0)

Portland 24 16 22 15— 77
L.A. Lakers 22 21 25 27— 95
P: Wallace 7-15 4-9 18, Sabonis 6-14 5-6 18; L.A.: S.O'Neal 17-27 12-18 46, Campbell 9-18 1-2 20. Rebounds—Portland 54 (Dudley 11), Los Angeles 51 (S.O'Neal 11). Assists—Portland 18 (Rider 5), Los Angeles 28 (Van Exel 8).
(L.A. Lakers lead series 1-0)

SATURDAY'S RESULTS

Minnesota 29 23 22 19— 84
Houston 24 17 25 30— 96
M: Marbury 10-25 0-2 22, Gugliotta 8-21 1-2 17; H: Barkley 6-13 8-13 20, Olajuwon 9-12 0-0 18. Rebounds—Minnesota 49 (Garrett 14), Houston 52 (Barkley 15). Assists—Minnesota 22 (Marbury 6), Houston 26 (Drexler 7).
(Houston leads series 2-0)

Charlotte 24 23 34 12— 93
New York 24 24 31 21—100
C: Rice 11-23 15-17 39, Delk 7-15 0-0 15; N.Y.: Ewing 15-21 0-3 30, Childs 7-14 0-0 17. Rebounds—Charlotte 51 (Mason, Divac 12), New York 42 (Oakley 10). Assists—Charlotte 10 (Mason, Divac, Delk, Smith 2), New York 27 (Childs 9).
(New York leads series 2-0)

LA Clippers 22 23 32 22— 99
Utah 27 34 23 21—105
L.A.: Wright 6-11 5-5 17, Martin 5-12 5-7 16; U: Malone 12-25 15-19 39, Stockton 7-11 2-2 18. Rebounds—Los Angeles 44 (Vaught 9), Utah 48 (Malone 11). Assists—Los Angeles 18 (Martin 6), Utah 20 (Hornacek, Stockton 4).
(Utah leads series 2-0)

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	14	6	.700	—
Boston	11	11	.500	4
Toronto	10	10	.500	4
New York	11	12	.478	4½
Detroit	10	14	.417	6
CENTRAL DIVISION				
Cleveland	11	11	.500	—
Minnesota	11	12	.478	½
Milwaukee	9	10	.474	½
Kansas City	9	11	.450	1
Chicago	7	15	.318	4
WEST DIVISION				
Seattle	14	9	.609	—
Texas	12	8	.600	½
Oakland	12	11	.522	2
Anaheim	10	11	.476	3

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	16	5	.762	—
Florida	12	9	.571	4
Montreal	11	9	.550	4½
New York	8	14	.364	8½
Philadelphia	7	14	.333	9
CENTRAL DIVISION				
Houston	14	8	.636	—
Pittsburgh	10	11	.476	3½
St. Louis	7	14	.333	6½
Cincinnati	7	15	.318	7
Chicago	4	17	.190	9½
WEST DIVISION				
Colorado	15	5	.750	—
San Francisco	15	5	.750	—
Los Angeles	11	9	.550	4
San Diego	9	11	.450	6

FRIDAY'S LINE SCORES
AMERICAN LEAGUE

Boston 000 000 000—0 4 0
Baltimore 000 002 00x—2 4 2
Gordon, Eshelman (8) and Haselman; Erickson, Ra.Myers (9) and Webster. W—Erickson, 3-1. L—Gordon, 1-3. Sv—Ra.Myers (9).

Cleveland 000 402 221—11 14 0
Milwaukee 000 301 000—4 6 0
Hershiser, M. Jackson (9) and S. Alomar; Karl, Florie (6), Villone (6), J. Mercedes (7) and Matheny. W—Hershiser, 2-0. L—Karl, 0-4. HRs—Cleveland, S. Alomar (7), Ramirez (4), Ma.Williams 3 (4), Justice 2 (6), Curtis (3). Milwaukee, Nilsson (2), Burnitz (3), Jaha (5).

Texas 015 000 000—6 11 0
Minnesota 100 010 010—3 6 0
K.Hill, X. Hernandez (7), Wetteland (9) and I. Rodriguez; Tewksbury, Olson and Steinbach. W—K. Hill, 2-2. L—Tewksbury, 1-3. Sv—Wetteland (6). HRs—W. Clark (1). Minnesota, Lawton (2), Meares (3).

Chicago 040 014 000—9 16 2
New York 000 000 120—3 5 1
Alvarez, C. Castillo (8) and Pena; D.Wells, Weathers (6), Boehringer (6), Stanton (9) and Posada. W—Alvarez, 1-3. L—D. Wells, 1-1. HRs—Chicago, Belle (3), F. Thomas (1). New York, Whiten (3).

Seattle 401 000 170—12 17 1
Toronto 500 101 001—8 10 0
De.Martinez, Ayala (7), McCarthy (8), S. Sanders (9) and Da.Wilson; Clemens, Crabtree (8), Plesac (8), Timlin (8), Flener (9) and O'Brien. W—Ayala, 2-0. L—Plesac, 0-2. HRs—Seattle, A.Rodriguez (3), R. Davis (4), Griffey Jr. 3 (13). Toronto, S. Green 2 (4), C. Delgado (4).

Detroit 000 000 300—3 5 1
Anaheim 001 040 30x—8 11 0
Lira, J. Cummings (5), Miceli (7) and B. Johnson; Dickson, P.Harris (7), McElroy (9) and Leyritz, Fabregas (9). W—Dickson, 4-0. L—Lira, 0-2. HRs—Detroit, Trammell (3). Anaheim, E. Murray (2), Salmon (7).

Kansas City 120 115 000—10 13 0
Oakland 001 000 110—3 8 0
Appier, Jacome (8), Mt.Williams (9) and Macfarlane; W.Adams, R.Lewis (6) and Mayne. W—Appier, 3-0. L—W. Adams, 1-2. HRs—Kansas City, C. Davis (1). Oakland, Stairs (2).

NATIONAL LEAGUE

Pittsburgh 000 000 001—1 5 0
Chicago 101 202 05x—11 14 0
Lieber, Wainhouse (5), Granger (8) and Kendall, Osik (8); Foster and Servais. W—Foster, 2-1. L—Lieber, 1-1. HRs—Pittsburgh, Ma.Johnson (2). Chicago, Sosa (3), Sandberg (1).

New York 000 000 001—1 6 0
Montreal 000 300 01x—4 9 0
B.Jones, R. Jordan (6), Borland (7), Manuel (8) and A. Castillo; C.Perez and Fletcher. W—C. Perez, 3-1. L—B. Jones, 3-2. HRs—Montreal, Fletcher (1), Santangelo (1).

Los Angeles 100 000 100—2 5 0
Florida 200 001 01x—4 5 1
Nomo, Park (6), Candiotti (7), Dreifort (8) and Prince; A.Leiter, Powell (7), Heiling (8), Nen (9) and C. Johnson. W—A. Leiter, 3-1. L—Nomo, 2-2. Sv—Nen (5). HRs—Los Angeles, Gagne (1). Florida, Alou (7).

San Diego 004 000 000—4 4 1
Atlanta 000 400 10x—5 8 1
Hitchcock, Cunnane (7), Long (7), Bergman (8) and Flaherty; Neagle, Bielecki (8), Wohlers (9) and J. Lopez. W—Neagle, 3-0. L—Cunnane, 0-1. Sv—Wohlers (6). HRs—San Diego, Gwynn (5). Atlanta, Lemke (1), J. Lopez (4).

San Francisco 111 000 010—4 6 0
Houston 000 301 001—5 8 1
Gardner, Tavarez (6), Roa (8) and R. Wilkins, Berryhill (9); Kile, B. Wagner (8) and Ausmus. W—B. Wagner, 2-0. L—Roa, 1-1. HRs—San Francisco, R. Wilkins (2). Houston, Bagwell (6).

Philadelphia 005 032 000—10 15 1
Cincinnati 000 001 105—7 13 0
M.Leiter, Mimbs (8), R. Harris (9), Plantenberg (9), Bottalico (9) and Lieberthal; Burba, Remlinger (5), Jarvis (5), Bones (7), Belinda (8), Carrasco (9) and Taubensee. W—M. Leiter, 3-1. L—Burba, 3-2. HR—Cincinnati, Taubensee (2).

Colorado 400 010 000—5 7 0
St. Louis 000 001 120—4 9 0
Ritz, M. Munoz (8), S. Reed (8), B. Ruffin (9) and Je.Reed; Al.Benes, T. J.Mathews (6), Frascatore (8) and Pagnozzi, Difelice (9). W—Ritz, 2-3. L—Al.Benes, 2-2. HRs—Colorado, L. Walker (10). St. Louis, Clayton (2).END Linescores: s,s1,sog BC-BBO–Linescores, Writethru,0684; EDS: ADDS Linescore; WILL STAND:

SATURDAY'S LINE SCORES
AMERICAN LEAGUE

Seattle 100 010 100—3 8 1
Toronto 000 210 001—4 12 1
Wolcott, McCarthy (5), Lowe (6), Charlton (9) and Da.Wilson, Marzano (9); W.Williams, Quantrill (8) and Mosquera. W—Quantrill, 3-1. L—Lowe, 0-1.

Chicago 000 010 010—2 9 0
New York 301 002 04x—10 16 0
Baldwin, Bertotti (6), Simas (7), C. Castillo (8) and Kreuter; Cone, Nelson (8), Lloyd (8), M. Rivera (8) and Girardi. W—Cone, 2-2. L—Baldwin, 0-3. Sv—M. Rivera (6). HRs—Chicago, Belle (4). New York, T.Martinez (8), Fielder (1).

Boston 310 001 000—5 10 1
Baltimore 140 430 20x—14 18 0
Sele, Mahomes (2), Trlicek (4), Corsi (6), Eshelman (7) and Hatteberg; Key, Mi.Johnson (7) and Holles. W—Key, 4-0. L—Sele, 3-1. Sv—Mi.Johnson (1). HRs—M. Vaughn (5), Stanley (2). Baltimore, R.Alomar 3 (3), E. Davis (3).

Kansas City 000 100 200 03—6 14 1
Oakland 002 000 100 04—7 15 0
(11 innings): Rosado, Bevil (7), J. Walker (7), Pichardo (8), Jacome (10), Mt.Williams (11) and Spehr, M. Sweeney (6); Karsay, Groom (7), Acre (7), Small (8) and Molina, Mayne (9). W—Small, 3-0. L—Mt.Williams, 0-1. HRs—Kansas City, J. Bell (6). Oakland, Stairs (3), Giambi (3), McGwire (9), Mashore (1).

Cleveland 100 310 120—8 12 2
Milwaukee 002 030 103—9 11 2
Colon, J. McDowell (5), Kline (7), M. Jackson (7), Mesa (9) and S.Alomar; McAndrew, Wickman (6), D. Jones (9) and Matheny, Levis (9). W—D. Jones, 1-0. L—Mesa, 0-1. HRs—Cleveland, Ma.Williams 2 (6). Milwaukee, Nilsson (3).

Texas 010 011 030—6 11 0
Minnesota 000 001 000—1 7 0
Witt, Gunderson (7) and I. Rodriguez; Aldred, Trombley (6), Ritchie (8) and Steinbach. W—Witt, 4-0. L—Aldred, 1-2. Sv—Gunderson (1). HRs—Texas, L. Stevens (5). Minnesota, Becker (2).

Detroit 001 000 001—2 6 0
Anaheim 000 000 000—0 2 0
Moehler and B. Johnson; C.Finley, DeLucia (9) and Fabregas. W—Moehler, 2-1. C.Finley, 0-1. HRs—Detroit, Fryman (5), Easley (3).

NATIONAL LEAGUE

Philadelphia 000 020 000—2 3 0
Cincinnati 212 101 03x—10 12 1
Schilling, Ruffcorn (5), Mimbs (6), R. Harris (8) and Parent; Schourek, Belinda (6), Shaw (8), Brantley (9) and Taubensee. W—Schourek, 1-2. L—Schilling, 3-2. HRs—Cincinnati, H. Morris (1), Sierra (1), Taubensee (1), Schourek (1).

New York 010 000 000—1 4 2
Montreal 010 051 01x—8 11 1
Mlicki, Bohanon (5), Manuel (7), McMichael (8) and Hundley, A.Castillo (8); P.J.Martinez, Daal (8) and Fletcher. W—P. J.Martinez, 3-0. L—Mlicki, 0-2. HRs—Montreal, Lansing (1), Fletcher (2).

Colorado 000 300 010—4 7 0
St. Louis 000 000 011—2 8 2
Swift, Holmes (7), B. Ruffin (9) and Manwaring; Morris, Petkovsek (6), Batchelor (8) and Lampkin. W—Swift, 2-1. L—Morris, 0-1. Sv—B. Ruffin (5).

Pittsburgh 301 100 100—6 12 1
Chicago 010 301 11x—7 14 0
Cooke, M. Wilkins (4), Ruebel (6), Loiselle (6), Rincon (7) and Kendall; F.Castillo, Bottenfield (1), Tatis (4), T. Adams (5), Wendell (7), Patterson (8), Rojas (9) and Servais. W—Patterson, 1-1. L—Rincon, 2-2. Sv—Rojas (1). HR—Chicago, Sandberg (2).

San Diego 000 100 000 1—2 9 2
Atlanta 000 100 000 2—3 8 0
(10 innings): Ashby, Bochtler (9), Hoffman (10) and Flaherty; Smoltz, Wohlers (10) and J. Lopez, Edd.Perez (10). W—Wohlers, 1-0. L—Hoffman, 0-1. HR—Atlanta, A. Jones (2).

San Francisco 020 000 000—2 4 0
Houston 000 000 000—0 2 1
Estes and R. Wilkins; Holt, R. Springer (9) and Eusebio, Ausmus (9). W—Estes, 4-0. L—Holt, 2-2.

Los Angeles 000 201 000—3 9 1
Florida 022 000 40x—8 12 2
I.Valdes, Hall (4), Dreifort (5), Guthrie (7), Radinsky (8) and Piazza; A.Fernandez, Cook (6), Hutton (6), Powell (8) and C.Johnson. W—A. Fernandez, 3-2. L—I. Valdes, 1-3. HRs—Los Angeles, Karros (2). Florida, C. Johnson (2), Conine (4).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	15	6	—	.714	—
Hiroshima	11	8	—	.579	3.0
Yomiuri	10	10	—	.500	4.5
Chunichi	9	11	—	.450	5.5
Hanshin	9	11	—	.450	5.5
Yokohama	6	14	—	.300	8.5

SATURDAY'S RESULTS
Hanshin 3, Yakult 2
Chunichi 4, Yokohama 3
Hiroshima 4, Yomiuri 3

SUNDAY'S RESULTS
Hanshin 4, Yakult 3
Yomiuri 5, Hiroshima 4
Chunichi 10 Yokohama2

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Orix	10	8	—	.556	—
Nippon Ham	10	10	—	.500	1.0
Lotte	9	9	1	.500	1.0
Kintetsu	8	8	1	.500	1.0
Seibu	9	10	—	.474	1.5
Daiei	9	10	—	.474	1.5

SATURDAY'S RESULTS
Orix 4, Kintetsu 3
Nippon Ham 5, Seibu 4
Lotte 3, Daiei 2 (10 innings)

SUNDAY'S RESULTS
Orix 8, Kintetsu 2
Nippon Ham 5, Seibu 3
Daiei 11, Lotte 3

HOCKEY

NHL PLAYOFFS

FIRST ROUND
(BEST-OF SEVEN)
FRIDAY'S RESULTS

Ottawa 1 1 2—4
Buffalo 0 0 1—1
First Period: O-McEachern 1 (Redden) Second Period: O-Alfredsson 4 (Lambert, Redden) Third Period: O-Alfredsson 5 (Duchesne, Yashin) (pp). 4, B-Audette 1 (Shannon, Galley) 5, O-, Cunneyworth 1 (Van Allen, Gardiner) Shots on goal: O- 10-6-14—30. B-8-6-11—25. Goalies: O-Tugnutt. B-Shields, Trefilov.
(Ottawa leads series 3-2)

N.Y. Rangers 1 1 0 1—3
Florida 1 0 1 0—2
First Period: New York, Messier 1 (Tikkanen, Leetch); 2, F-Hough 1 (Fitzgerald, Murphy) Second Period: New York, Messier 2 (Samuelsson) Third Period: F-Sheppard 2 (Niedermayer, Murphy) (pp). Overtime: 5, New York, Tikkanen 3 (Messier, Leetch) Shots on goal: N.Y.- 7-10-10-6—33. F- 9-13-16-2—40. Goalies: N.Y.-Richter. F-Vanbiesbrouck.
(New York wins series 4-1)

St. Louis 1 1 0—2
Detroit 1 3 1—5
First Period: D-Yzerman 2 (Shanahan) 2, St. Louis, MacInnis 1 (Hull, J.Murphy) (pp). Second Period: D-Kozlov 1 (Larionov, Fedorov) (pp). 4, D-McCarty 1 (Draper, L.Murphy) 5, S.L.-, Campbell 1 (Courtnall, MacInnis) (pp). 6, D-Shanahan 2 (Lapointe, Lidstrom) Third Period: D-L.Murphy 2 (Yzerman, Shanahan) (pp). Shots on goal: S.L.- 3-8-10—21. D- 11-15-7—33. Goalies: S.L.-Fuhr. D-Vernon.
(Detroit leads series 3-2)

Edmonton 0 0 0 0 1—1
Dallas 0 0 0 0 0—0
First Period: None. Second Period: None. Third Period: None. First Overtime: None. Second Overtime: 1, E-Smyth 3 (Arnott, Mironov). Shots on goal: E- 4-7-3-13-1—29. D- 13-16-6-7-1—43. Goalies: E-Joseph. D-Moog.
(Edmonton leads series 3-2)

SATURDAY'S RESULTS

Montreal 0 0 0—0
New Jersey 1 1 2—4
First Period: N.J.-Dean 1 (Stevens, Sykora) Second Period: N.J.-Holik 2 (Odelein, MacLean) (pp). Third Period: N.J.-MacLean 3 (Carpenter, Chambers) (sh). 4, N.J.-Odelein 2 (Chambers, Gilmour) (pp). Shots on goal: M- 4-6-14—24. N.J.- 19-13-17—49. Goalies: M-Theodore. N.J.-Brodeur.
(New Jersey wins series 4-1)

Pittsburgh 2 1 0—3
Philadelphia 3 2 1—6
First Period: P-Lindros 3 (Renberg, Niinimaa). 2, P-Hatcher 1 (Jagr, Lemieux) (pp). 3, P-Lemieux 3 (Jagr, Francis) 4, P-Brind'Amour 2, (sh). 5, P-Brind'Amour 3 (Dykhuis) (sh). Second Period: P-Francis 1 (Jagr, Olausson) (pp). 7, P-LeClair 4 (Niinimaa, Svoboda) 8, P-Klatt 2 (Desjardins) Third Period: P-Prospal 1 (Brind'Amour, Lindros) (en). Shots on goal: P- 6-5-7—18. P- 18-19-8—45. Goalies: P-Wregget. P-Snow.
(Philadelphia wins series 4-1)

Colorado 1 2 3—6
Chicago 3 0 0—3
First Period: C-Carney 1 (Shantz) 2, C-Suter 1 (Savard, Amonte) 3, C-Amonte 4 (sh). 4, C-Sakic 2 (Corbet) (pp). Second Period: C-Kamensky 4 (Lemieux, Yelle). 6, C-Sakic 3 (Deadmarsh) Third Period: C-Kamensky 5 (Forsberg) (pp). 8, C-Lemieux 5 (Sakic, Ozolinsh) (pp). 9, Deadmarsh 1 (Forsberg, Lemieux) Shots on goal: C- 12-10-7—29. C- 10-5-9—24. Goalies: C-Roy. C-Hackett 2-4.
(Colorado wins series 4-2)

WORLD ICE HOCKEY CHAMPIONSHIPS

POOL A
Czech Republic 2, Germany 1
Finland 6, France 1
Russia 2, Slovakia 2

POOL B
Canada 7, Norway 0
Sweden 5, Italy 3
United States 5, Latvia 4

AUTO RACING

SAN MARINO GRAND PRIX

SUNDAY, IN IMOLA, ITALY
1. Heinz-Harald Frentzen, Germany, Williams winning time 1 hour, 31 minutes and 0.673 seconds, average speed 201.509 kph
2. M. Schumacher, Ger., Ferrari at 1.237 sec
3. Eddie Irvine, Britain, Ferrari 1:18.343
4. Giancarlo Fisichella, It., Jordan 1:23.388
5. Jean Alesi, France, Benetton one lap
6. Mika Hakkinen, Finland, McLaren 1 lap
7. Nicola Larini, Italy, Sauber 1 lap
8. Olivier Panis, France, Prost 1 lap
9. Mika Salo, Finland, Tyrrell 2 laps
10. Jos Verstappen, Neth., Tyrrell 2 laps

DRIVERS' STANDINGS: 1. Jacques Villeneuve, Canada, Williams 20 points; 2. M. Schumacher 14; 3. Frentzen10; tie David Coulthard, Britain, McLaren 10; tie Irvine, 10; tie Gerhard Berger, Austria, Benetton 10; tie Hakkinen 10; 8 Panis 6; 9. Ralf Schumacher, Germany, Jordan 4; 10. Fisichella 3; tie Johnny Herbert 3; tie Alessi 3.

CONSTRUCTORS' STANDINGS: 1. Williams 30 points; 2. Ferrari 24; 3. McLaren-Mercedes 20; 4. Benetton-Renault 13; 5. Jordan 7; 6. Prost 6; 7. Sauber-Petronas 4.

CRICKET

PAKISTAN TOUR
2ND TEST, 2ND DAY
SRI LANKA VS. PAKISTAN
SUNDAY, IN COLOMBO
Sri Lanka:331
Pakistan:147 for 4

INDIA TOUR
1ST 1-DAY INTERNATIONAL
WEST INDIES VS. INDIA
SATURDAY, IN PORT OF SPAIN, TRINIDAD
West Indies: 149 for two in 27.3 overs
India: 179 all out in 48.3 overs
West Indies' target was revised to 146 off 33 overs after rain delayed the start of their innings.
West Indies won by 8 wickets.

GOLF

SATELINDO INDONESIA OPEN

Final scores Sunday in the dlrs 275,000 Satelindo Indonesia Open Golf Tournament, part of the Asian PGA's 25-leg Omega tour, at the 6,958-yard (6,330-meter), par-72 Jagorawi Golf and Country Club near Bogor in Indonesia:

Craig Parry, Australia	67-70-74-69—280
D. Terblanche,S.Africa	69-70-73-70—282
Gerry Norquist, U.S.	71-69-69—74—283
N. Kawahara, Japan	69-70-73-73—285
Jeff Senior, Australia	71-70-70-75—286
Clay Devers, U.S.	72-74-71-70—287
Arjun Singh, India	73-73-68-73—287
Charlie Wi, S. Korea	70-72-70-75—287
M. Calcavecchia, U.S.	70-73-76-69—288
P. Marksaeng, Thail.	76-71-72-69—288
M.Joong-kyung,S.Kor.	72-72-72-72—288

SPANISH OPEN

MADRID, Spain (AP) — Leading scores from Sunday's final round of the Peugeot Spanish Open Golf Tournament being played at Madrid's 7,054-yard (6,451-meter) par-72 La Moraleja golf course in Madrid, Spain:

Mark James, Eng.	67-68-73-69—277
Greg Norman, Aust.	69-70-68-70—277
Jarmo Sandelin, Swe.	72-71-69-66—278
Ed. Romero, Arg.	68-70-71-69—278
David Howell, Eng.	70-71-67-71—279
Jean Louis Guepy, Fr.	71-68-70-70—279
Jose Coceres, Arg.	72-69-70-68—279
Roger Chapman, Eng.	70-67-74-69—280
Howard Clark, Eng.	74-70-69-67—280
Fr. Jacobson, Swe.	73-71-69-67—280

RUGBY UNION

WELSH CUP
SATURDAY, IN CARDIFF
FINAL
Cardiff 33, Swansea 26

FRENCH CUP
SATRUDAY, IN NIMES
Pau 13, Bourgoin 11
Pau qualify for European Cup next season.

SUPER 12
Canterbury 23, Gauteng 0
Wellington 60, Otago 34
ACT 56, New South Wales 9
Free State 27, Waikato 13
Auckland 39, Natal 17
STANDINGS: Auckland 35 points, ACT 31; Wellington 27; Natal 27; Gauteng 22; Free State 19, Canterbury 16; New South Wales 16, Northern Transvaal 14; Waikato 13; Otago 12; Queensland 10.

SOCCER

WORLD CUP QUALIFIERS
ASIAN ZONE
GROUP 2
United Arab Emirates 2, Jordan 0
STANDINGS: 1. UAE 10points; 2. Jordanie 4; 3. Bahrain 3.
UAE through to next round

GROUP 5
Cambodia 1, Indonesia 1

GROUP SEVEN
Singapore 0, Kuwait 1

AFRICAN ZONE
GROUP 1
Kenya 1, Guinea 0
Burkina Faso 1, Nigeria 2
STANDINGS: Nigeria 10 points; Kenya 7; Guinea 6; Burkina Faso 0.

GROUP 2
Namibia 2, Egypt 3
Tunisia 2, Liberia 0
STANDINGS: Tunisia 12 points, Egypt 6; Liberia 4; Namibia 1.

GROUP 3
Zambia 3, Congo 0
Zaire 1, South Africa 2
STANDINGS: 1. Congo 7points; 2. South Africa 7; 3. Zambia 5; 4.Zaire 2.

GROUP 4
Cameroon 2, Togo 0
Zimbabwe 0, Angola 0
STANDINGS: 1. Cameroon 10 points, 2. Angola 8, 3. Zimbabwe 4, 4. Togo 0.

GROUP 5
Sierra Leone 0, Morocco 1
Ghana 3, Gabon 0
STANDINGS: Morocco 7, points; Ghana 6; Sierra Leone 4; Gabon 1.
April 27 — Ghana v Gabon

DUTCH FIRST DIVISION
Roda JC Kerkrade 4, RKC Waalwijk 0
NEC Nijmegen 0, Willem II Tilburg 0
Vitesse Arnhem 4, Twente Enschede 2
STANDINGS: PSV Eindhoven 65 points; Feyenoord 63; Twente Enschede 55; Ajax Amsterdam 51; Heerenveen 50; Roda JC Kerkrade 49; Vitesse Arnhem 48; NAC Breda 39; Graafschap Doetinchem 36; Utrecht 32; Groningen 32; Fortuna Sittard 32; Willem II Tilburg 31; Volendam 30; Sparta Rotterdam 29; NEC Nijmegen 25; RKC Waalwijk 22; AZ Alkmaar 21.

FRENCH FIRST DIVISION
Metz 1, Auxerre 0
Lyon 4, Bastia 2
Le Havre 1, Rennes 1
Lens 1, Lille 0
Cannes 1, Bordeaux 1
Monaco 1, Marseille 1
Montpellier 1, Strasbourg 4
Nantes 1, Caen 1
Guingamp 0, Nancy 1
Paris St Germain 5, Nice 0
STANDINGS: Monaco 69 points; Paris St Germain 60; Nantes 57; Strasbourg 56; Bastia 55; Bordeaux 55; Metz 53; Auxerre 52; Lyon 52; Montpellier 44; Guingamp 44; Marseille 43; Lens 41; Cannes 40; Rennes 39; Le Havre 36; Nancy 33; Lille 33; Caen 32; Nice 20.

GERMAN BUNDESLIGA
FC St. Pauli 0, Hansa Rostock 1
MSV Duisburg 2, 1860 Munich 3
Bayer Leverkusen 2, Werder Bremen 1
Arminia Bielefeld 2, Borussia Dortmund 0
Karlsruher SC 3, Hamburger SV 1
Borussia Moenchengladbach 0, VfB Stuttgart 1
VfL Bochum 3, SC Freiburg 2
Bayern Munich 5, Fortuna Duesseldorf 0
Schalke 04 1, FC Cologne 1.
STANDINGS: Bayern Munich 62 points; Bayer Leverkusen 59; VfB Stuttgart 55; Borussia Dortmund 53; VfL Bochum 46; 1860 Munich 42; Karlsruher SC 41; Schalke 04 40; Werder Bremen 39; Arminia Bielefeld 37; MSV Duisburg 36; Moenchengladbach 35; FC Cologne 35; Hamburger SV 34; Hansa Rostock 33; Fortuna Duesseldorf 29; FC St. Pauli 27; SC Freiburg 18.

MAJOR LEAGUE SOCCER
New York-New Jersey 2, Columbus 1
New England 2, Colorado 1, SO (2-1)
San Jose 3, Washington D.C. 2, SO (2-0)
Dallas 2, Los Angeles 1, SO (4-1)
STANDINGS: Eastern Conference: D.C. 6 points; Tampa Bay 4; New England 9; NY-NJ 8; Columbus 7. Western Conference: Kansas City 7; Dallas 9; Colorado 13; San Jose 8; Los Angeles 9.

TENNIS

BUDAPEST LADIES OPEN
IN BUDAPEST, HUNGARY
SEMIFINALS
Amanda Coetzer (2), South Africa, def. Henrieta Nagyova (7), Slovakia, 6-7 (5-7), 6-1, 6-0. Sabine Appelmans (4), Belgium, def. Karina Habsudova (1), Slovakia, 6-2, 6-4.
FINAL
Coetzer def. Appelmans 6-1, 6-3.

DANAMON WOMEN'S OPEN
IN JAKARTA, INDONESIA
SEMIFINALS
Yuka Yoshida, Japan, def. Alexia Dechaume-Balleret, France, 3-6, 7-6 (2), 6-1.
Naoko Sawamatsu, Japan, def. Rita Grande, Italy, 7-6 (2), 3-6, 6-1.
FINAL
Sawamatsu def. Yoshida 6-3, 6-2.

U.S. CLAY COURT CHAMPIONSHIPS
LAKE BUENA VISTA, FLORIDA
QUARTERFINALS
Michael Chang (1), U.S., def. Byron Black (7), Zimbabwe, 7-5 6-3; Chris Woodruff (6), U.S. def. Alex O'Brien (4), U.S. 6-4 6-7 (5-7) 6-4
Jason Stoltenberg (5), Australia, def. Marcelo Filippini, Uruguay, 6-7 (3-7) 6-4 6-4; Grant Stafford, South Africa def. Fernando Meligeni, Brazil, 6-3 6-4
SEMIFINAL
Chang def. Jason 4-6, 6-3, 6-3.
Stafford def. Woodruff 6-3, 4-6, 6-4.

MONTE CARLO OPEN
MONTE CARLO, MONACO
SEMIFINALS
Alex Corretja (12), Spain, def. Fabrice Santoro, France, 6-4, 6-4.
Marcelo Rios (7), Chile, def. Carlos Moya (6), Spain, 6-4, 7-6 (7-5)
FINAL
Rios def. Corretja 6-4, 6-3, 6-3.

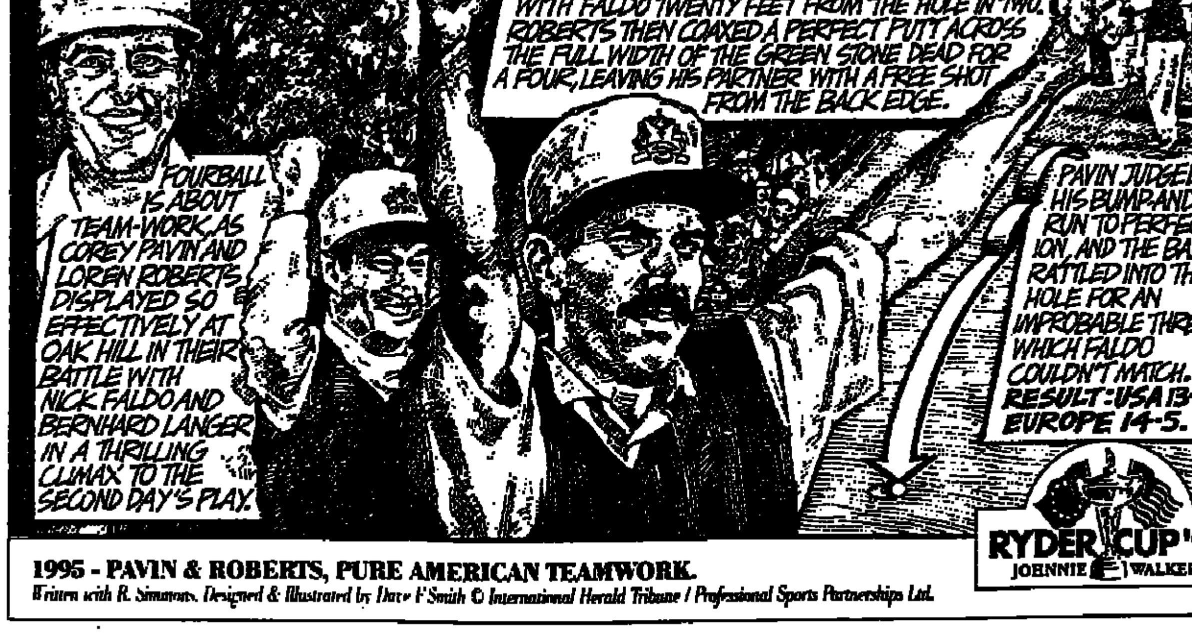
TRANSITIONS

BASEBALL
MAJOR LEAGUE BASEBALL
AMERICAN LEAGUE
NEW YORK—Designated RHP David Weathers for assignment.
NATIONAL LEAGUE
SAN DIEGO—Purchased contract of OF Phil Plantier from Las Vegas, PCL.

BASKETBALL
USA BASKETBALL
USA BASKETBALL—Named Rudy Tomjanovich coach of 1998 World Championship team.
NATIONAL BASKETBALL ASSOCIATION
MILWAUKEE—Announced resignation of Mike Dunleavy, general manager.

FOOTBALL
CANADIAN FOOTBALL LEAGUE
BALTIMORE—Signed RB Kenyon Cotton, RB Priest Holmes, WR James Epps, WR Donald Richard, WR Shawn Ward, TE Bill Khayat, OL Mike Flynn, OL Richard Howard, OL Yohan Moulton, DL Alex Bernstein, DL Mike Ivey, DL Charles King, DL Kelvin Moore, DL Robert Walker, LB Richard Alvarado, LB Rusty Arrington, LB Clint Bruce, LB Bernard Russ, DB Bryon Brown, DB Paul Goldry, DB Jermaine Trent, DB John Williams.
CINCINNATI—Signed TE Steve Bush, LB Dana Cottrell, WR Damon Daniels, RB Ty Douthard, LB Billy Granville, DB Eric Kresser, CB Anthone Lott, FB Darryl Medley, WR Wayne Messam, WR Geroy Simon, LB Tim Terry and FS Lawrence Wright.
DALLAS—Signed LB James Bates, LB Odell Parks, LB Pat Fitzgerald, OT Cayolano Castro, OT T.J. Washington, FB Chester Ford, P Toby Gowin, WR Rocky Henry, WR Quincy Culberson, WR Keith Jackson.

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مكتبة من الأصل

Late Rally Lifts Rockets, 96-84

Houston Seeks Sweep as Series Shifts to Minnesota

The Associated Press

The Houston Rockets took over in the final five minutes to beat the inexperienced Minnesota Timberwolves, 96-84.

Charles Barkley, who scored 20 points, led the closing rally for Houston on Saturday night. The Rockets lead the best-of-five-game series, 2-0, and could sweep Minnesota with a victory in Game 3 Tuesday at Minneapolis, where the Timberwolves will continue to pursue their first playoff victory ever.

"Every possession was a war," said Hakeem Olajuwon, the Rockets' star center. "It was an intense game from beginning to end. You have to give them a lot of credit. They have a lot of athletic players and they play together."

The Timberwolves led for the final time, 79-78, on a 3-point basket by Stephon Marbury with 5:47 to play. But a free throw and three-point play by Mario Elie gave Houston an 82-79 lead with 5:22 to go.

After a basket by Olajuwon and two free throws by Elie, Barkley stretched the lead to 89-81 with a basket and a free throw. Clyde Drexler sealed the victory with a 3-pointer with 1:12 to go.

Barkley also had 15 rebounds and Olajuwon finished with 18 points and 10 rebounds. Marbury led the Timberwolves with 22 points, and Tom Gugliotta had 17.

"When they made runs at us, we panicked, but when we made runs at them, they just retaliated even more," Gugliotta said. "We did a good job today. We hurt ourselves down the stretch, though."

The game turned rough in the fourth quarter, which began with the Rockets leading, 66-65, after six lead changes and two ties.

Sam Mitchell was called for a flagrant foul and ejected with 9:25 left in the game following a confrontation with Kevin Willis. Mitchell hit Willis from behind with a forearm as Willis drove for a lay-up. The two exchanged words and had to be separated by teammates.

"I don't have bad blood with Sam," Willis said. "It got heated. My focus was just to win the game."

Mitchell had other ideas. "I'll meet him in the hall, on the court in the parking lot," Mitchell said. "I'm not going to be a punching bag."

NBA Roundup

The Timberwolves scratched out a 43-41 halftime lead, but the third quarter heated up with both sides making runs before the Rockets edged back into a 66-65 lead at the end of the period.

Jazz 105, Clippers 89 In Salt Lake City, Karl Malone scored 39 points and John Stockton had 18 as Utah held off the Los Angeles Clippers to take a 2-0 first-round playoff lead.

It took all of Malone's points to defeat the pesky Clippers, who had lost Game 1, 106-86.

"I think that people thought we were just going to kill them every time, but these guys came in with a good game plan," Malone said. Jeff Hornacek and Antoine Carr added 11 points apiece for the Jazz.

Malone, who hit 12 of 25 shots, also rediscovered his free-throw shooting. He had made just one of six in the opener Thursday, and he was 15 for 19 in the Game 2 parade to the foul line. Malone also pulled down 11 rebounds, to go with a steal and a blocked shot.

Stockton had just four assists Saturday after doling out 17 in Game 1, but made up for it by hitting 7 of 11 shots, including 2 for 4 from 3-point range.

Lorenzen Wright had 17 points and Derrick Martin had 16 to lead the Clippers.

Trailing by 16 early in the third quarter, the Clippers outscored the Jazz, 28-10, taking a 75-73 lead. Utah then went on an 11-2 run to take an 84-77 lead at the end of the period.

The Clippers closed to within three points but could get no closer.

Knicks 100, Hornets 93 The New York Knicks withstood 39 points from Glen Rice and held the injury-depleted Hornets without a field goal for more than 8½ minutes of the fourth quarter in New York.

It gave New York a 2-0 lead in the best-of-5 series, which moves to Charlotte for Game 3 on Monday night.

"We're beating ourselves," said Rice, who had only six points in the final 12 minutes. "We made a lot of mistakes on the offensive end, we didn't take care of the ball and we didn't play as aggressive as we're capable of late in the game."

Patrick Ewing led New York with 30 points on 15-for-21 shooting with six rebounds and three blocks. Chris Childs added 17 points, including three straight jumpers late in the fourth quarter that helped New York wrap it up.

New York overcame a huge disparity in free-throw attempts and accuracy. The Knicks had just 13 free throws and made only five. Rice, on his own, was 15 for 17 from the line as Charlotte made 24 of 31 free throws.

Rice scored 10 points in each of the first two quarters and 13 in the third to give the Hornets to an 81-79 lead entering the fourth.

But that's when everything stopped working for Charlotte.

After Anthony Mason gave Charlotte an 83-81 lead with 11:06 left, the Hornets committed six turnovers and missed all their field goal attempts until Rice scored on a jumper with 2:28 left. The Knicks took advantage during the slump and outscored Charlotte 17-6 for a 98-89 lead. Childs had three of the biggest baskets late in that stretch.



Tim Johnson/The Associated Press

The Wolves' Kevin Garnett, left, losing a rebound to Charles Barkley.

Heat Rout Magic Again, For 2-0 Lead

The Associated Press

MIAMI — A pattern is developing. The Miami Heat, who routed the Orlando Magic in Game 1, won another blowout in Game 2 on Sunday.

As an encore to their 35-point victory Thursday, the Heat beat Orlando, 104-87, for a 2-0 lead in the first-round playoff series.

The Heat, who have never advanced to the second round of the playoffs, will try to clinch the best-of-5 series Tuesday in Orlando.

A 22-3 run at the start of the second period gave the Heat a 42-21 lead. They outscored Orlando, 36-13, in the quarter, hitting 13 of 19 shots, and led 56-31 at halftime. The margin reached 32 points in the third period.

Miami again won with defense and balanced scoring, hurting Orlando inside, from the perimeter and in transition. The Heat shot 53 percent and sank 9-of-23 3-pointers. They converted 16 Magic turnovers into 24 points.

Tim Hardaway had 20 points and 11 assists for the Heat, and P.J. Brown scored 11 consecutive Miami points in the first half, finishing with 17. Alonzo Mourning also had 17. All 12 Heat players have scored in the series.

Penny Hardaway scored 26 points for the Magic, but Rony Seikaly had just 10 points and four rebounds. Seikaly, who averaged 17.3 points per game during the regular season, has just 17 points in two playoff games.

Orlando again played without its power forward, Horace Grant, who was sidelined because of a sprained right wrist.

The Magic took their first lead of the series at 11-9. Shortly after, Derek Strong's basket made the score 18 all. But the Magic managed just one field goal in the next six minutes.

Orlando's comeback chances appear slim. Teams have overcome a 2-0 deficit in a best-of-5 series just five times. The most recent was Denver against Seattle in 1994. What is more, the Magic have been swept every time they've lost the first game in a playoff series.

The Magic made one change in their starting lineup, with Dennis Scott being replaced by Brian Shaw. Scott came off the bench only four times during the regular season, starting the rest of the time. Orlando has lost five consecutive games, including the final three of the regular season.

Brown received the J. Walter Kennedy Citizenship Award at halftime. The league honor was in recognition of his charity work.

Alomar Ends Drought With 3 Homers as Orioles Rout Red Sox

Compiled by Our Staff From Dispatches

The Orioles' Roberto Alomar broke out of his early-season slump with three home runs against the Boston Red Sox. Alomar went 4 for 4 with a career-high six runs batted in, and Baltimore, playing at home, beat Boston 14-5.

Alomar, who had been bothered since spring training with a sprained ankle, entered the game with a .205 average and nine hits and did not have an extra-base hit in 12 games this season.

AL Roundup

A day after two other American League hitters — Cleveland's Matt Williams and Seattle's Ken Griffey Jr. — each hit three home runs, Alomar led a jumping Orioles' lineup.

The first four Baltimore batters — Brady Anderson, Alomar, Eric Davis and Rafael Palmeiro — had 12 hits in 19 at-bats and four home runs and 11 RBI. Davis's homer was his third of the season.

The Orioles' pitcher, Jimmy Key (4-0), who gave up back-to-back home runs in the first inning, pitched six innings for the victory.

Yankees 10, White Sox 2 Cecil Fielder broke the longest home-run drought of his career in his final swing as New York routed visiting Chicago.

Fielder, the major league's active leader in home runs and runs batted in, had been hitting just .189 coming into the game. He hit a single in the first inning and followed that with two doubles in his next two at-bats. Then, on his 99th at-bat of the year, he hit that elusive first home run, tucking a Carlos Castillo pitch inside the left-field foul pole in the bottom of the eighth with two runners on.

Brewers 9, Indians 6 In Milwaukee, Williams homered twice to match a major league record with five homers in two games, but the Brewers rallied for three runs in the ninth off Jose Mesa.

Jeff Huson's run-scoring single off Mesa capped Milwaukee's rally and spoiled Williams's second-straight multihomer game.

Rangers 6, Twins 1 In Minneapolis, Bobby Witt beat Minnesota for the sixth straight time and Texas won its fourth straight. Witt took a two-hit shutout into the sixth, but Rich Becker spoiled it with an inside-the-park home run that Damon Buford in center field lost in the lights.

Tigers 2, Angels 0 In Anaheim, California, the rookie Brian Moehler pitched a two-hitter for his first shutout and complete game.

Moehler surrendered only Luis Alicea's double in the first and another double to Jim Edmonds in the fourth to win his second consecutive start. The right-hander struck out two, didn't allow a walk and got 14 groundouts.

Damian Easley and Travis Fryman homered for the Tigers.

Athletics 7, Royals 6 In Oakland, Mitch Williams threw a bases-loaded wild pitch with two outs in the 11th inning to cap Oakland's four-run rally.

The Royals had taken a 6-3 lead in the top of the 11th on Bip Roberts's run-scoring double and Jay Bell's two-run homer. But the Athletics got a two-run homer by Jason Giambi and a solo shot by Matt Stairs, tying it at 6-6 with one out. Williams relieved and walked Damon Mashore and gave up an infield single to Rafael Bournigal.

Mark McGwire, who earlier hit his ninth home run, was intentionally walked to load the bases and bring up Jose Canseco, who fell behind 0-2 in the count. Williams then threw a pitch over the head of catcher Mike Sweeney, who managed to get his mitt on the ball but could not prevent it from rolling to the backstop.

Blue Jays 4, Mariners 3 In Toronto, Joe Carter singled home the winning run with two outs in the bottom of the ninth inning, lifting the Toronto Blue Jays over Seattle.

Ken Griffey Jr., who hit three homers Friday night, has 30 runs batted in, one shy of Carter's AL record for April and two short of Barry Bonds's major league mark. *(AP, WP, NYT)*

Expos' Martinez Humbles Mets, 8-1

Right-Hander Allows 4 Hits and Strikes Out 10 in 7-Inning Stint

Compiled by Our Staff From Dispatches

Pedro Martinez shrugged off a minor strain below his left hip and stifled the Mets, 8-1, allowing only four hits in seven innings, striking out 10 and generally humbling Bobby Valentine's team.

Valentine had stacked his lineup with left-handed batters to go against the Montreal Expos' hard-throwing right-hander.

NL Roundup

"This has nothing to do with the fact that right-handers have two hits against Martinez this year," Valentine said. "There's no coincidence there. None at all."

But it was the pitcher Dave Mlicki, batting right-handed, who gave the Mets an early lead. He reached out and poked a fastball through the right side of the infield.

Martinez repeatedly set up hitters with changeups, sinking low and away, then finished them off with high fastballs. He allowed only one hit over his last five innings, improving his lifetime record against the Mets to 10-0.

Braves 3, Padres 2 In Atlanta, Andruw Jones hit a two-run homer off Trevor Hoffman in the bottom of the 10th to give Atlanta victory.

The Padres had taken a 2-1 lead in the 10th off Mark Wohlers on a two-out walk to Rickey Henderson and a double by Quilvio Veras.

Marlins 8, Dodgers 3 Jeff Conine and Charles Johnson hit home runs as Florida beat Los Angeles.

Eric Karros hit a two-run homer off Alex Fernandez in the fourth inning, pulling the Dodgers within 4-2.

In the sixth, Karros appeared to tie the game with another two-run shot, but it was ruled a ground rule double, although replays showed the ball had cleared the scoreboard.

Giants 2, Astros 0 In Houston, Shawn Estes pitched a two-hitter for his first major league shutout and complete game. Estes (4-0) took a no-hitter into the sixth before Pat Listach led off by legging out an infield single.

Tony Eusebio got the Astros' other hit, a two-out single in the eighth.

Rockies 4, Cardinals 2 Bill Swift pitched six scoreless innings and Dante Bichette drove in three runs as Colorado extended its team-record road winning streak to eight games.

Colorado, 28-53 away from home last season, has not lost a road game since April 2.

Swift, who had not started in 11 days because of a slight tear in a chest muscle, allowed the Cardinals just two hits and two walks while striking out two. It was Swift's fourth start, one more than he made all last year.

Reds 10, Phillies 2 In Cincinnati, Pete Schourek hit his second career homer and picked up the victory as the Reds snapped a five-game losing streak.

Schourek hit one of three homers off Curt Schilling as the Reds pulled ahead 6-0, their biggest lead since opening day. The left-hander then held on for five innings to get his first victory since May 8.

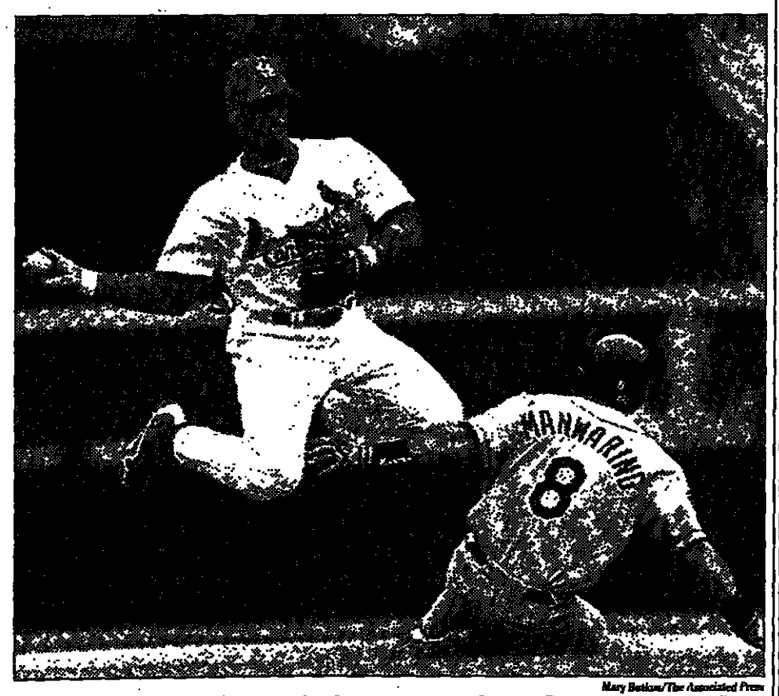
Ruben Sierra hit a three-run homer — his first with the Reds — in the eighth inning as Cincinnati rolled to its biggest run total since opening day. Hal Morris and Eddie Taubensee added two-run homers.

Cubs 7, Pirates 6 Sammy Sosa's bloop single broke an eighth-inning tie as Chicago beat visiting Pittsburgh.

Brian McRae opened the eighth with a single off Ricardo Rincon and reached second on Doug Glanville's sacrifice, with Glanville safe on an error. Mark Grace sacrificed, advancing both runners, and Sosa singled.

Earlier, Ryne Sandberg hit his 267th career home run as a second baseman to break Hall of Famer Joe Morgan's record for most career home runs at that position.

It was the 272nd homer of Sandberg's career. The first five came while he was playing third base.



Mary Butkus/The Associated Press

Colorado's Kirt Manwaring using his arm to spoil Royce Clayton's throw to first.

THIS WEEK ON EUROSPORT

Some of the giants of world football come together on the same pitch as the 'European all Stars' take on the 'Rest of the World'. Can Cruyff and Stoichkov overcome Maradona and Asprilla ?

Football:
28 April, The European All Stars v The Rest of the World
Johan Cruyff, di Stefano and Socrates pick the teams

Ice Hockey:
28 April - 14 May, LIVE, The World Championship, Helsinki
Finland play host to the best teams in the world

Football:
30 April, LIVE, Brazil v Mexico
The World Champions meet one of their great rivals in Miami

Motorcycling:
2 - 4 May, LIVE, The Spanish Grand-Prix
After a perfect start to the year Michael Doohan will be aiming for three wins in a row



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TOMORROW: STYLE

Herald International Tribune
SPORTS

WORLD ROUNDUP

James Wins Playoff

GOLF Mark James beat Greg Norman on Sunday in a tense playoff at the Spanish Open in Madrid. But second place was enough to insure that Norman will regain first place in the world rankings, which he lost last week to Tom Lehmann.

James, 43, won at the third hole of a play-off when Norman, having made a 20-footer to force sudden death and then a 10-footer to keep it alive, bogeyed the short 17th.

It was the first victory in two years for James, who three-putted the final green to allow Norman to force a playoff. Both ended on 277, 11 under par. James shot a 69 in the final round; Norman a 70. Jarmo Sandelin and Eduardo Romero were a joint third at 278. *(AFP)*

• Brad Faxon shot a third-round 65 at the Greater Greensboro Chrysler Classic to tie Tom Kite for the lead. Both were 14-under at 202. Kite shot a 4-under par back nine and a round of 67. *(AP)*

Riis Takes Classic

CYCLING Bjarne Riis, the Tour de France champion, won the Amstel Gold World Cup race, the first one-day classic victory of his career, after a 35-kilometer (23 miles) solo break.

The Dane finished 46 seconds ahead of second-place Andrea Tafi, who edged Beat Zberg into third place in the final sprint.

Riis attacked just after changing a wheel with a broken spoke because, he said, his rivals would not be expecting such a move.

"If you don't take risks you don't win," he said. "I was feeling good so why not?"

His only nervous moment came when he had to put a foot down as he skidded across the slippery cobbles of a sharp curve on the last descent. *(Reuters)*

Foreman Has to Work

BOXING George Foreman beat Lou Savarese on a split decision over 12 rounds in Atlantic City.

Foreman, 48, took charge of the second half of the fight Saturday with punishing left jabs and left hooks against Savarese, 31, who battled the former heavyweight champion every step of the way.

Foreman landed some tremendous shots to the head, but had to settle for only his eighth victory on points in 80 fights.

"Tonight I had to box," the 253-pound Foreman said. "I don't like to box with these guys. I like knockouts." *(AP)*

Johnson Shows Speed

ATHLETICS Nearly nine months after setting the world record in the 200 meters at the Atlanta Olympics, Michael Johnson ran his first 200 of 1997 in the Drake Relays in Iowa and recorded the fastest time in the world this year.

Johnson ran 20.05 seconds Saturday, beating Ato Boldon's time of 20.09 earlier in the year. *(AP)*

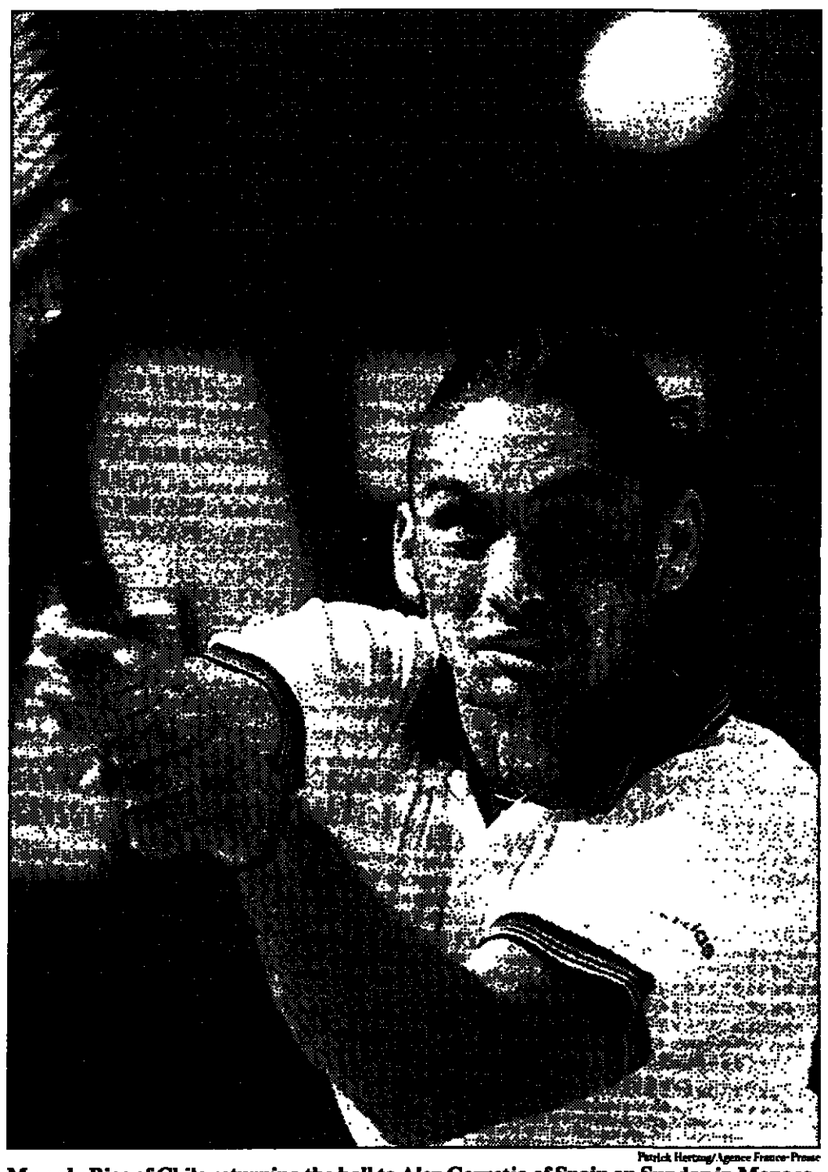
Pakistan Goes Slowly

CRICKET Pakistan was tied down by some accurate bowling by Sri Lanka on Sunday and added only 33 runs after tea before play was called off due to poor light on the second day of the second and final test in Colombo.

Inzamam-ul Haq and Asif Mujtaba kept their wickets but the score moved slowly before play was halted with Pakistan on 146 runs for four wickets in reply to Sri Lanka's first-innings total of 331.

Inzamam had 43 in 167 minutes while Mujtaba battled through 138 minutes for his 32. *(Reuters)*

Rising Chilean Star Ends Spain's Reign on Clay



Patrick Hertzog/Agence France-Presse

Marcelo Rios of Chile returning the ball to Alex Corretja of Spain on Sunday in Monaco.

By Christopher Clarey
International Herald Tribune

MONTE CARLO — The winner, as usual on clay this year, was a Spanish speaker.

The difference on Sunday with the wind gusting through the Monte Carlo Country Club and a half-century's worth of champions watching from the stands was that this Spanish speaker was no Spaniard.

Marcelo Rios is from Chile, and for the moment, Chileans are thankful.

"It's a mob scene there," said Rios's coach, Larry Stefanki. "It's a mob scene, and the kid hasn't won a major. If he does, he'll probably walk on water, but I told him until he does, it doesn't matter."

After his 6-4, 6-3, 6-3 victory Sunday over Alex Corretja of Spain, Rios has at least won a significant title. The Monte Carlo Open is arguably the most prestigious clay-court event after the French Open (German Open and Italian Open promoters are free to argue), and anyone who needed reminding of its rich tradition only had to glance at the center court Sunday afternoon.

As part of the Monte Carlo Open centenary celebration, many of the previous winners were flown in, or in the case of Monaco resident Bjorn Borg, simply invited to the tournament. They walked one by one onto the red clay before the final: First the 1947 champion, Lennart Bergelin of Sweden, and finally the 1996 champion, Thomas Muster of Austria, with everyone from the American stylist Budge Patty to the Italian tactician Nicola Pietrangeli to the injured Russian Andrei Chesnokov in between.

To a player well-versed in the history of the sport, like Corretja, the cheerful Barcelonan, it could have been an inspirational moment. But Rios claims to have never paid attention to John McEnroe of the United States, the South American hero Guillermo Vilas or any other international tennis icons when he was growing up in an affluent family in Santiago.

"I didn't follow much tennis," he said. "I didn't follow this tournament. I knew about this tournament when I started playing."

Rios started playing the circuit in 1994 after finishing atop the world junior rankings. That accomplishment alone made him a star at home, and last May, he became the first Chilean to break into the top 10. His countryman Hans Gildemeister reached No. 12, but no higher, in 1980. Although Rios feigns having no tennis role models, bettering Gildemeister's best ranking was one of his goals when he began working with Stefanki in 1995.

Rios often has been compared to Andre Agassi, and despite the fact that the Chilean is left-handed, the comparison is appropriate. Both are under 6 feet (1.83 meters) and are slightly built; both rose to stardom sporting long hair and ugly clothing (black socks in Rios's case) and reputations as rebels. Both are attacking groundstrokers who anticipate well, hug the baseline and take the ball extremely early with their forehands and two-handed backhands.

But for Stefanki, Rios is more reminiscent of his former pupil McEnroe.

"Agassi is a banger; this guy has more feel and touch," Stefanki said. "He's not a sheer power player, and he's more comfortable in no-man's-land and around the net than Agassi."

Where he is not more comfortable is around the fourth estate. While Agassi has a gift of gab and self-analysis, Rios — at least in English — is the portrait of reticence. He arrives in the interview room with his arms folded defensively and responds grudgingly.

One reason for his reluctance may be that his every comment is dissected at home. Also, early in his career, he was sued for defamation of character by the former president of the Chilean tennis federation, reportedly for suggesting that he was involved with the mafia. (Rios won the lawsuit, and the official was later barred from holding any further sports posts in Chile.)

"I just think he's not comfortable expressing his feelings," Stefanki said. "On court, he's so comfortable that he feels that should speak for itself. To direct questions, he's not very open, but he is with *his* good friends. With *me*, *it's no problem*, but he's going to have to learn."

What Rios does not need to learn is how to find tight angles with his groundstrokes. He kept Corretja consistently on the defensive, and the Spaniard was not helped by the swirling wind that played tricks with his high service toss and his forehand, which he hits with a looping backswing.

The most exciting game was the last, in which Corretja saved four match points. But ultimately, after victories by Corretja in Estoril, Portugal, and Albert Costa in Barcelona, clay-court dominance by Spain came to a temporary end.

Now, all Rios has to do is win the French Open and walk on water.

■ Coetzer Wins Budapest Final

Amanda Coetzer of South Africa beat Sabine Appelmans of Belgium in straight sets Sunday in the final of the Budapest Open women's tournament.

Coetzer played a consistent baseline game to win, 6-1, 6-3, in one hour seven minutes.

Appelmans struggled with an erratic serve and though she managed a scattering of aces, Coetzer's powerful returns prevented the Belgian from using her height advantage.

• Jason Stoltenberg of Australia made a pair of critical double faults to let Michael Chang off the hook in the semifinal of the U.S. Men's Clay Court Championships in Orlando, Florida.

Chang took advantage of Stoltenberg's mistakes Saturday to win the semifinal, 4-6, 6-3, 6-3, and advanced to the final to face Grant Stafford.

Frentzen Wins At Last, Just Beats Schumacher

Good Day for Germans at San Marino

Compiled by Our Staff From Dispatches

IMOLA, Italy — Heinz-Harald Frentzen gained his first Formula One victory Sunday when he held off a fellow German, Michael Schumacher, to win the San Marino Grand Prix.

Frentzen's victory in his 52d Grand Prix gave him his first points since he was signed by the Williams team in place of Damon Hill, the world champion.

Frentzen finished just 1.2 seconds ahead Schumacher, who was driving a Ferrari on the team's home circuit. The other Ferrari driver, Eddie Irvine of Northern Ireland, was third, one minute, 18.3 seconds behind the winner.

It was the first time Germans had taken first and second in a Formula One race.

Frentzen had come under increasing criticism after failing to place among the top drivers in the opening three races of the season despite driving what is considered the best car on the circuit.

The victory put him in third in the title race with 10 points, behind his teammate, Jacques Villeneuve of Canada, who has 20 points, and Schumacher, with 14.

Villeneuve, who led the opening 26 laps after starting from his fourth successive pole position, lost the lead during the opening pit stops. He was third when transmission trouble prevented him re-entering the race after his second pit stop.

Giancarlo Fisichella of Italy finished fourth in a Jordan. Jean Alesi of France was fifth in a Benetton, and Mika Hakkinen of Finland took sixth in a Maclaren.

Villeneuve, winner of the previous two races, both in South America, started the race with a perfect getaway from the grid on a drying circuit after a morning of showers had followed overnight rain.

Schumacher also made a strong start and muscled his way past Frentzen, but Villeneuve looked well in command over the opening laps as he reeled off a series of fastest lap times.

Gerhard Berger of Austria exited from his 200th Gran Prix when his Benetton spun off on the fifth lap at Acque Minerale.

Frentzen continued to battle to find a way past Schumacher for second place, but Irvine moved up the field when he overtook the Frenchman Olivier Panis's Prost at Piratella on lap 18.

There followed a frantic shuffling of positions as Ralf Schumacher of Germany coasted into the pits to retire in his Jordan and Johnny Herbert of Britain, who had run powerfully in fifth in a Sauber following a brilliant start from seventh on the grid, went off on lap 19.



Kevin Colombo/The Associated Press

Damon Hill exiting his Arrow after colliding with Shinji Nakano on Sunday. He drew a suspended one-race ban.

Villeneuve remained ahead of the field but when the pit stops began — with Schumacher first in after lap 24 — Frentzen seized his chance and emerged in front of Schumacher and Villeneuve.

Frentzen managed to stay ahead of Schumacher both times he came out from the pits after refueling and changing tires.

Schumacher, who trailed by nearly five seconds with 15 laps left, narrowed the gap in the final minutes of the race when Frentzen appeared certain to win and was no longer pushing as hard.

Schumacher said Nicola Larini of Italy, who was driving a Sauber, had slowed him down and caused him to brake hard.

"This meant I had to stop and pit because I had flat-spotted my tires," he said.

Frentzen completed the 305.696-kilometer (189.953-mile) distance in 1 hour, 31 minutes and 0.673 seconds.

Both Alesi and Hakkinen were lapped by the winner, who won more points in the race than he won all last season when he raced with Sauber-Ford.

Hill had another bad day.

Because of electrical problems with his Arrow he switched to another car just before the race and started from the pit lane. As Hill tried to battle his way through the field he collided with the Prost of Shinji Nakano. After the race, the race jury gave him a suspended one-race ban after ruling that the Briton had been responsible for the crash.

(AP, Reuters, AFP)



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